



Commission

Final Minutes of the 344th meeting held on 21 March 2024 at Cannon Bridge House, London, EC4

Commissioners present: Lord Mendoza (Chairman)
Nairita Chakraborty
Sandie Dawe
Ben Derbyshire
Sandra Dinneen
Lady Gibson
Professor Helena Hamerow
Dame Julie Kenny
Sir Jonathan Marsden
Patrick Newberry
Robert Sackville-West
Sue Wilkinson

Staff present: Duncan Wilson, Chief Executive
Michael Bishop, Director of Corporate Strategy & Business Improvement
Liz Bushell, Director of Corporate Services
Beatrice Carpineta, Governance Officer (minutes)
Nick Kent, Head of Governance
Ian Morrison, Director of Policy & Evidence
Amy Pitts, Director of Communications & Public Engagement
Emma Squire, Director of Regions
Julia Ward, Head of the Chairman & Chief Executive's Office
Andrew Wiseman, Corporate Secretary & General Counsel

Others present: Dr Nick Merriman, Chief Executive and Mark Stuart-Smith, Chief Financial Officer, English Heritage Trust (for part)

1 Apologies, announcements and Declarations of Interest

- 1.1 Attendees were welcomed to the meeting. The Chairman noted that it was the first attended by the new Chief Executive of English Heritage Trust (EHT), Dr Nick Merriman.
- 1.2 The Commission expressed its sadness at the passing of former Commissioner David Laing and their gratitude for his contribution to Historic England and the broader heritage sector.
- 1.3 Apologies had been received from Commissioners Paul Farmer, Susie Thornberry and Richard Upton; and from Fazima Osborn and Helen Dhoot, DCMS Deputy Directors Heritage & Analysis, and Gerard Lemos, Chairman of English Heritage Trust.

Declarations of Interest

- 1.4 None.

2 Minutes of 30 November 2023 Commission meeting and matters arising

2.1 The minutes of the 343rd Commission meeting held on 30 November 2023 were approved after one amendment as a correct record. The two action points from the last meeting had been resolved: details of reserves were now shown in the report to Commission on HE's financial position; and the Corporate Priority Summary now contained explanations for red or amber ratings.

2.2 Commission approved the amended minutes of the 343rd meeting held on 30 November 2023 as a correct record.

3 Chairman's Report

3.1 The Chairman said that since the last meeting Commission he had met with three Secretaries of State: Michael Gove MP (Levelling Up, Housing & Communities); Kemi Badenoch MP (Business & Trade); and Claire Coutinho MP (Energy & Net Zero). All these meetings had been constructive. The meeting with Energy & Net Zero had been valuable as they had been largely unaware of the work of HE in the field of climate change and retrofit.

3.2 The Chairman said his amendment to the Digital Markets, Competition & Consumers Bill to ensure that the charitable sector (including heritage) continued to benefit from Gift Aid in respect of subscriptions had been successful, and he thanked the team at HE for supporting him. The issue had subsequently been included in the Budget, setting out the Government's commitment to lay secondary legislation to amend the Gift Aid provisions.

3.3 Commission noted the Chairman's report.

4 Chief Executive's Report

4.1 The Chief Executive highlighted several issues from his written report.

4.2 Seafront Heritage Enhancement Fund

This new programme would provide £30M to fund heritage projects in coastal communities in a similar manner to the High Streets Heritage Action Zones programme. The project would run over four years, it was likely that the fund would offer these communities initial resources to develop ideas and then fund 10 major projects. HE is developing a full business case by July.

4.3 Commission noted concern around the capacity of local authorities to support competitive bids; the Director of Policy & Evidence said that HE's regional teams would be able to provide some support. In answer to questions from Commissioners, the Director said that HE is seeking funding from DLUHC to extend its current Levelling Up Places Service, which brings together the combined expertise of the DCMS Arm's Length Bodies to support the delivery of levelling up projects.

4.4 The Budget

The Chief Executive said that while HE was disappointed that help for places of worship was not included in the Budget, it welcomed the ad hoc allocations, including for the National Theatre and the Temple Works development. The £10M grant for Temple Works was a small part of the overall project to enable the Grade I listed former Temple

Works site to become the British Library North, but it was a critical first step enabling the site to be brought into public ownership. The Director of Regions added that HE will host a breakfast meeting and visit to Temple Works during the forthcoming UK Real Estate Investment & Infrastructure Forum in Leeds; details will be circulated to Commissioners.

Action: Director of Regions

4.5 Local authorities in financial distress

The Chief Executive said that HE had limited capacity to support local authorities (LAs) in distress and details were in the written report. It was important for HE (alongside the Arts Council) to make clear that cultural programmes were not an optional extra.

4.6 West Midlands Combined Authority

HE was working with the Authority and the Mayor for the West Midlands, Andy Street, on the £15M programme announced in the Budget to support culture, heritage and investment projects in the region.

4.7 Stonehenge

The Chief Executive said that the High Court had dismissed a further case (on air quality). The General Counsel & Corporate Secretary reported that since the judgment in the recent judicial review of the proposed tunnel, an application for appeal had been made, which it is hoped will be determined within the next month.

4.8 Blue Plaques

The Chief Executive congratulated the HE teams involved in the successful launch of the national blue plaques scheme. An unveiling ceremony had been held for the first of the blue plaques, attended by Lord Parkinson and the Chairman. Further plaques in commemorating George Harrison and Clarice Cliff would be unveiled soon. The public call for new nominations would be in May. English Heritage would continue to manage the London blue plaque scheme.

4.9 UK Public Sector Reputation Tracker

The Director of Communications & Public Engagement reported that HE had risen to second place in the annual, independent tracker of public sector bodies' reputations (RepTrak). HE had seen improvements across most of the drivers for reputation measured by the survey and had risen from fourth place, overtaking the Royal Navy and the RAF.

4.10 In answer to questions from Commissioners about what had led to the improvement and how RepTrak was used within government, the Director said that the analysis that sat behind the tracker suggested greater recognition of HE's work, including a bumper year for media coverage and increased use of the website and HE's video content. The Director added that RepTrak was widely used within the public sector as a benchmarking tool.

4.11 Framework Agreement

The Director of Corporate Services said that the Framework Agreement had been signed by DCMS. The text would be circulated to Commissioners.

Action: Director of Corporate Services

4.12 Commission noted the Chief Executive's report.

5 English Heritage Trust financial performance report

- 5.1 Dr Nick Merriman, the recently appointed Chief Executive, spoke about his vision for the Trust, saying that EHT has demonstrated sustainability by being a successful visitor attraction business. The challenge now was to achieve further sustainability through generating additional funds to meet the estate conservation deficit. EHT wanted to see millions more people feel connected to each other, to their places and their past through their shared engagement with England's heritage.
- 5.2 EHT had developed a 10-year strategy in conjunction with the property licence renewal. With a clear charitable purpose of engaging audiences, EHT would be able to approach trusts and foundations to make greater progress on fundraising. It would continue to operate and expand the business, maintaining and conserving the sites, investing in the visitor offer and increasing its income.
- 5.3 There were three main priorities in the long-term plan: care, share and grow. Achieving these goals would include addressing the impact of climate change and coastal erosion, engaging more diverse audiences, adopting local community engagement strategies for historic sites, developing augmented reality projects at some sites and for EHT (in partnership with HE) to become a social prescriber because of the health and wellbeing benefits of heritage.
- 5.4 In the shorter-term, the new property licence needed to be agreed, an organisation review would be commissioned to ensure that there was the capacity to deliver the vision. The 10-year strategy would be turned into a three-year rolling plan with detailed operational plans. Project management would be reviewed to ensure that projects stay on time and on budget. Later in the year pathfinder projects incorporating the new approach would be announced.
- 5.5 Commission welcomed Dr Merriman's presentation. Members discussed the ways in which HE and EHT are bound together and the need to co-operate with one another. They endorsed the ideas of seeking greater community involvement in sites and of developing augmented reality projects to enhance the visitor experience.
- 5.6 The Chief Financial Officer (CFO) of EHT outlined the current financial position and the forthcoming 2024/25 budget. The CFO said that 2023/24 was the first year for EHT without government funding and, despite challenging trading circumstances, they expected to be on target for visitor numbers, membership and net profit and loss. Development and commercial income were down against expectations and the risk was that this problem would persist into 2024/25. Tight cost management meant that EHT would have a lower deficit than expected at the end of 2023/24.
- 5.7 The budget for 2024/25 was ambitious, it contains the highest ever predictions of membership and visitors with the highest ever level of revenue. The biggest risk was around development income. The new model was based on an expectation that development income would replace public subsidy and eventually exceed it. EHT was only about halfway to reaching the £20M a year it had received in subsidy and was not expected to reach that figure until 2026/27.

5.8 In discussion, Commissioners welcomed the balanced budget, noted the difficulties in securing unrestricted development income and the risks identified. In answer to questions, the CFO, EHT said that the Cultural Recovery Fund loan, a 20-year loan at two per cent interest, would start to be repaid in April 2025. This year's underspend on maintenance was a result of over-estimating inflation and programme slippage due to external factors such as planning delays and the weather, which the CFO thought were temporary phenomena.

5.9 Commission noted the English Heritage Trust Financial Update, March 2024.

6 Shrewsbury Flax Mill Maltings

6.1 The Director of Corporate Strategy & Business Improvement said that the paper had two purposes: to provide reassurance on the progress of the masterplan and its continued relevance; and secondly to seek formal agreement on a revised governance structure.

6.2 Updating Commission on progress with this project, the Director of Corporate Strategy said that discussion continued with EHT on the future operation of the visitor attraction. The trading company had been set up with just two months' notice and there had been progress in letting parts of the main building. Further lettings would be difficult without capital investment. Peter Barber Architects had put forward a proposed residential development for part of the site.

6.3 The Director of Corporate Strategy said that the question remained as to when would be the right time for HE, as the owner of last resort, to withdraw from the site. This had always been the difficulty with buildings where HE was the owner of last resort and the building could not transfer to the national collection.

6.4 Commissioners welcomed the proposals of Peter Barber Architects, which broke the mould of speculative housing development as a high-quality, sustainable development. Commissioners also noted that the approach challenged accepted standards, differed from what developers usually offered and would raise issues with the local authority, notably around parking. The revised figures for the anticipated value of the scheme had improved over previous proposals for the residential site, partly because of an increase in the number of units. Any surplus generated from the development would be reinvested in the site.

6.5 In terms of the governance structure, the Chief Executive said that Commissioners would be involved in the project but probably on an individual basis because of their skills rather than having a more formal structure (such as the former strategic programme board). This approach would ensure separation from HE's role in terms of development advice.

6.6 Commission noted the progress made towards the delivery of the masterplan for Shrewsbury Flax Mill Maltings; and approved the proposed governance structure for handling the residential development.

7 Corporate priority summary

7.1 The Chief Executive introduced the corporate priority summary report stating that there was a summary for each of the six corporate plan priorities and RAG ratings to show

current progress. For externally facing priorities there was a separate slide summarising engagement. There was a detailed focus on two topics for this meeting.

- 7.2 On levelling up, the Director of Policy & Evidence said that understanding the contribution heritage makes to place and wellbeing was making good progress but was currently rated amber because of capacity issues arising from the need to work on other priorities, such as the Seafront Heritage Enhancement Fund and financial organisations in distress.
- 7.3 The Director of Regions said that the full evaluation of the High Street HAZ programme would be received in October; early results showed the programme's positive impact. Work was underway on a places strategy to bring together all HE's programmes that generate public benefit in place. This new strategy would help with promotion as well as to assist external partners to navigate HE's offer in this field.
- 7.4 On the second priority, inclusion, diversity and equality, Commissioners discussed the Future Talent programme, which supports youth heritage skills training. Commissioners noted the recent successful fundraising event attended by some of the apprentices, the emphasis on operating a scheme that focused on quality rather than quantity and the evidence of demand for these skills in the economy.
- 7.5 Under planning, listing and conservation, the Director of Regions drew attention to HE's efforts to promote its pre-application advice service to developers. Commissioners agreed on the need for this as too often projects came to HEAC and LAC at too late a stage and would have benefitted from early advice.
- 7.6 On climate action, Commissioners noted HMG's report, *Adapting Historic Homes for Energy Efficiency*, published in January with HE on track to deliver its part of the implementation. Commissioners also heard that: carbon literacy courses for the heritage sector were running successfully; because of the large number of responses to the draft HE Advice Note, publication would be slightly delayed; and that evidence of the value of retrofit was vital to work in place.
- 7.7 As part of reporting on stewardship of the National Collection, the Director of Corporate Strategy & Business Improvement said that the Executive Team had considered an early draft of the masterplan exercise for Fort Cumberland. This will come back to Commission in due course. The initial work had considered all the potential options from large-scale investment to retreating from the site.
- 7.8 Commissioners commented on the large number of historic artefacts in store at Fort Cumberland and at EHT sites across England. The Chairman commented on the lack of awareness that the National Collection does not just include buildings but also historic collections.
- 7.9 The Director of Corporate Strategy reported under developing HE that the organisation's proposed key performance indicators (KPIs) had been approved at the Business & Finance Committee, been shared with the Minister and would be fully reported on at the end of the next financial year. Commissioners welcomed this development and noted that HE may need to report to DCMS on a smaller subset of KPIs. The current RAG ratings in the corporate priority summary would be replaced by KPIs in future.

7.10 Commission noted the corporate plan priority summary and welcomed the updates.

8 Financial Overview

- 8.1 The Director of Corporate Services presented the financial position and the draft 2024/25 budget. She made the following points:
- a the outturn of 2023/24 is likely to be a balanced budget although there are uncertainties, particularly because this is the final year of the High Street HAZ programme;
 - b the Executive Team had proposed a balanced budget for 2024/25 but this had been achieved by using £3.5M from reserves;
 - c a revised reserves policy and the current state of reserves had been included in the report, as requested by Commission; the reserves would all be used up by the end of 2025/26;
 - d the Business & Finance Committee had discussed the extent to which management could pursue “invest to save” policies and noted the difficulty HE had in setting aside funds to make such investments, for example in digital after the Digital Strategy ends;
 - e the budget forecast a structural deficit of £3.7M in 2025/26 and it would grow to about £10M by 2030 if the grant-in-aid stayed flat. Even with an inflation-proofed settlement, the deficit would be about £2M annually. The Executive Team would need to look at savings in HE’s activities if the grant-in-aid did not increase.
- 8.2 Commission discussed the financial report and the draft budget. Commission noted that DCMS was asking HE to take on additional duties but discussions about resources to fund those were on-going. These extra pressures amounted to £100M over five years and include DLUHC programmes that would support improvements in the planning system. Some resources would be raised through the new charging regime for infrastructure projects.
- 8.3 Commissioners noted that BFC had discussed how to increase productivity across HE to mitigate cost increases by doing things differently. Evidence was needed to show that investment early on would yield savings later. The Chief Executive pointed out that the 60 per cent cut in grant-in-aid since 2010 had already led to efficiencies, for example a more targeted approach to casework. The Chairman said that the grant-in-aid issues were now being discussed with DCMS and DLUHC and developments such as the Richards Review would reinforce HE’s case.

8.4 Commission noted the forecast year-end position for 2023/24 and approved the proposed revenue and capital budgets for 2024/25 and the proposed reserves policy, noting the risks for this financial year and beyond.

9 Statutory Consultees: The Richards Review

- 9.1 The Director of Policy & Evidence explained that the Secretary of State for Levelling Up, Housing & Communities had announced a review of the performance of statutory consultees lead by Sam Richards as part of a wider plan to improve the efficiency of the planning system.

- 9.2 Ministers had been particularly concerned about the use of holding replies to enable consultees to meet their obligation to respond to applications in 21 days. The Director said HE policy is not to send holding replies and analysis of last year's applications had shown that staff were complying with that approach with 98.1% responded to in 21 days.
- 9.3 HE had submitted evidence and DLUHC had acknowledged that HE is an exemplary statutory consultee. The report, expected in March, was now delayed.
- 9.4 Commission discussed the report, the likely outcome of the Richards review and noted that the management had identified areas where HE could further improve its performance. In an answer to questions, the Director of Policy & Evidence said that HE's responses to applications were not the concern, objections were soundly based and advice to developers had improved applications.

9.5 **Commission noted the report and discussed the questions within it.**

10 EHT Licence Renewal

- 10.1 The Corporate Secretary and General Counsel updated the Commission on the negotiations with EHT for a new Property Licence Operating Agreement. ARAC had discussed the current situation in detail.
- 10.2 Commission discussed the report and Commission's role in scrutinising EHT's performance in the care and maintenance of the national collection. Commission noted the likely timetable for the signing of the new licence and its consideration by ARAC and BFC.

10.3 **Commission noted the Heads of Terms, KPIs and Information Provision, the outstanding points for negotiation and the timeline for finalising the Property Licence Operating Agreement.**

11 Historic Places Panel (HPP)

- 11.1 The Director of Regions introduced the report and asked Commission to agree to the revised terms of reference for HPP. The Director explained that the terms of reference had been updated to make clear that while the recommendations of the Panel were independent, HPP was part of the place-making work of HE. The focus for HPP would be working in places where HE's local teams can build a relationship with the local authority. The intention was to work more closely with Homes England and the National Lottery Heritage Fund.
- 11.2 The Chair of HPP, Ben Derbyshire, then spoke to the paper on HPP he had prepared for Commission. He believed that the panel was invaluable and it had good feedback from those it had worked with, both panellists and local authorities. The recommendations in section six of the paper were for discussion and he would welcome Commissioners' comments.
- 11.3 There was strong support on Commission for the work of HPP. Commissioners commented on the desirability of HPP working more with DLUHC, the depth of the HPP's work, the benefit of working with ALBs, the merits of charging for all or part of

HPP's work and the convening power of HE. It was suggested that HPP should be added to the arguments for an increase in HE's funding.

- 11.4 The Director of Policy & Evidence observed that there was a case for convening a round table on work in place because there were other agencies and bodies, including the Office for Place, the Towns Unit and the Levelling Up Task Force, that are trying to do similar work. Commissioners also suggested that it was important to connect not just with national bodies but those working regionally as well, such as the executive mayors.
- 11.5 Commission recognised the importance of HPP members being able to comment freely and report independently of HE's work. Commission expressed its thanks to HPP members for their contribution.

11.6 **Commission noted the Historic Places Panel Chair's report for July 2022 – November 2023, the revised HPP *Terms of Reference* May 2024 and commented on the Chair of HPP's questions on the future role of the Panel.**

12 Historic England Committee minutes and updates

12.1 Commission noted the minutes and oral updates from recent sub-committee meetings.

12.2 **Commission noted:**

- a **the minutes of the 16 November 2023 meeting of the Audit & Risk Assurance Committee;**
- b **the minutes of the 16 November 2023 meeting of the Business & Finance Committee;**
- c **the minutes of the 16 January 2024 Historic Estate Conservation Committee and the March 2024 update report;**
- d **the minutes of the 9 November 2023 Historic England Advisory Committee;**
- e **the minutes of the 9 November 2023 meeting of the London Advisory Committee; and**
- f **oral reports from other recent sub-committee meetings.**

13 Casework Report

13.1 Commission received its regular update on Historic England's business critical casework and recent and forthcoming planning developments.

13.2 **Commission noted the Casework Report.**

14 Closed Session

Commission held a closed session.

Nick Kent
April 2024

Commission

Final Minutes of the 343rd meeting held on 30 November at Cannon Bridge House, London, EC4

Commissioners present: Lord Mendoza (Chairman)
Nairita Chakraborty
Sandie Dawe
Ben Derbyshire
Sandra Dinneen
Paul Farmer
Lady Gibson
Professor Helena Hamerow
Dame Julie Kenny
Sir Jonathan Marsden
Patrick Newberry
Robert Sackville-West
Susie Thornberry
Sue Wilkinson

Staff present: Duncan Wilson, Chief Executive
Michael Bishop, Director of Corporate Strategy & Business Improvement
Liz Bushell, Director of Corporate Services
Claudia Kenyatta, Director of Regions
Nick Kent, Head of Governance
Ian Morrison, Director of Policy & Evidence
Amy Pitts, Director of Communications & Public Engagement
Julia Ward, Head of the Chairman & Chief Executive's Office
Charlie Wheeler, Governance Officer (minutes)
Andrew Wiseman, Corporate Secretary & General Counsel

Others present: Mark Stuart-Smith, Interim Chief Executive, English Heritage Trust (for part)

1 Apologies, announcements and Declarations of Interest

- 1.1 Attendees were welcomed to the meeting.
- 1.2 Apologies had been received from Commissioners David Laing and Richard Upton; and from Fazima Osborn and Helen Dhoot, DCMS Deputy Directors Heritage & Analysis, and Gerard Lemos, Chairman of English Heritage Trust.

Declarations of Interest

- 1.3 None.

2 Minutes of 12 October 2023 Commission meeting and matters arising

2.1 The minutes of the 342nd Commission meeting held on 12 October 2023 were approved as a correct record. The two action points from the last meeting had been resolved: pay strategy had been discussed at the Remuneration & Appointments Committee on 27 November and HE's relationship with the Hamish Ogston Foundation had been discussed at the Audit & Risk Assurance Committee on 16 November.

2.2 Commission approved the minutes of the 342nd meeting held on 12 October 2023 as a correct record.

3 Chairman's Report

3.1 The Chairman presented his report and said that he saw his role as having three elements:

- keeping heritage at the centre of policy making across government;
- keeping heritage prominent in the HMT-focused creative industries sector;
- and protecting and increasing Historic England's grant in aid.

3.2 Commission discussed the Chairman's report and noted the critical role of the chair as the first advocate for Historic England. The Chief Executive said that the key messages to be discussed later in the meeting were designed to help the Chairman and other Commissioners fulfil that advocacy role.

3.3 Members noted the importance of maintaining good relationships with senior political figures. The Director of Regions said that building better relationships with the elected mayors was a priority and compared to two years ago, good progress had been made. The need to make it clear that Historic England was not a block on development but an asset was recognised. The recent success of the HE team explaining retrofitting, and the opportunities this would bring in terms of jobs and business, at the northern region meeting of local enterprise partnerships was an example of this.

3.4 Forthcoming meetings involving the Chairman included ones with the Secretary of State for Levelling Up, Housing & Communities and with the Secretary of State for Energy & Net Zero.

3.5 Commission noted the Chairman's report.

4 Chief Executive's Report

The Chief Executive introduced his report. The Executive Team had been busy preparing for the Autumn Statement and were continuing to prepare for the 2024 Spending Review.

4.1 Stonehenge

The Corporate Secretary explained that the judicial review on the A303 proposals was due to start in the High Court on the 12th of December and would run for three

days; judgment was expected between the middle and the end of January 2024 but would be open to appeal.

4.2 World Heritage Committee

The Head of International Strategy attended a UNESCO meeting in Paris last week as part of improving the relationship with UNESCO and establishing a constructive dialogue.

4.3 Tall buildings

The Chief Executive said that he had been asked to contribute a foreword to a forthcoming policy paper on tall buildings to be published by the think tank Policy Exchange. While Historic England could not endorse all of the policy ideas included in the paper, it contained a great deal of useful data on the rapid growth in the number of tall buildings in England since the year 2000.

4.4 Commission noted the Chief Executive's report.

5 **Financial Overview**

5.1 The Director of Corporate Services presented the financial position at month 7 of the 2023-24 financial year and highlighted the following points:

- a There was forecast to be a small overspend as a result of the decision to break the relationship with the Hamish Ogston Foundation but other factors meant that this overspend will probably be cleared by the end of the financial year. The winter supplementary process with DCMS had been confirmed.
- b The original intention had been to use £3 million from the reserves but because of various changes to project timing during the course of the year, £0.5M would be added to the reserves instead. The funding retained in the reserves would be able to be used in the next financial year.
- c The one off non-consolidated payment to staff, which formed part of the 2023-24 pay settlement, has been paid and sufficient savings made through recruitment controls to cover the costs.
- d The greatest risks to the Historic England budget in 2024-25 are inflation and the continuation of the two per cent a year grant-in-aid increase. The Executive Team will start the 2024-25 budget process in mid-December.

5.2 Commissioners discussed the report. In response to questions, the Director of Corporate Services confirmed that other arm's length bodies are in a similar financial position to Historic England. Members noted the variances and the Director explained that these variances were unsurprising in a large budget.

5.3 The Director updated Commission on the outstanding VAT claim. A new case officer had been appointed at HMRC and there was now confidence that the issue would be resolved by the end of the 2023-24 financial year.

5.4 Commissioners asked about the current level of reserves, which the Director reported were around £8 million. This balance was held partly as a contingency to fund exceptional unforeseen costs and partly for planned one-off spend in future years.

Members requested that an additional line be added to the financial overview report showing reserves; this was agreed.

Action: Director of Corporate Services

5.5 Commission noted the financial position for the year to date and forecast year-end positions; and the main risks to them.

6 English Heritage Trust financial performance report

6.1 The Interim Chief Executive of EHT said the financial picture was better than in the budget but there were some areas where performance was not as good as forecast, for example in relation to secondary spending at sites. Development income was significantly down, partly because of the decision not to take previously agreed donations from the Hamish Ogston Foundation. There were also delays on some capital projects.

6.2 In discussion, Commissioners asked about alternative sources of income for the Trust. The Interim Chief Executive said that management was looking at opening more sites over the Christmas and New Year. These events had been successful, and the risk had been outsourced to third parties. Concerts during the summer were more difficult because of the issue of the noise impact on local residents at Kenwood and traffic issues around Wrest Park.

6.3 Challenged about the underspend on maintenance, the Interim Chief Executive said that this was partly to do with movements between capital and revenue but there had also been an over calculation in relation to the rate of inflation in the construction sector. The Interim Chief Executive reported that the state of the national collection was improving but the £80 million allocated by government to tackle the backlog of maintenance had been insufficient to remove the conservation backlog entirely. Discussions continued about an appropriate KPI to measure over time whether the overall the state of the properties in care was stable, improving or deteriorating.

6.4 Commission noted the English Heritage Trust Finance Performance Report September 2023.

7 Acquisition of land: Thornborough Henges (Northern)

7.1 The Corporate Secretary and General Counsel explained the background to the proposal for English Heritage Trust to buy the third of the three Henges at Thornborough. The possibility of purchasing the third Henge had been discussed when the two others were acquired. In the view of the Corporate Secretary, there were two questions on which Commission needed to be satisfied before it could agree to this proposal: the first of these was whether Thornborough Henge (Northern) was appropriate for the National Collection; and the second was the potential financial impact on English Heritage Trust.

7.2 Commission discussed the proposal. It was noted that the northern Henge is the best preserved of the three. Although there were some concerns about the relatively high cost of the site, this was less of an issue as the purchase was being made with the

support of a charitable donation. This was an important opportunity, the EHT Interim Chief Executive pointed out, to ensure that all three Henges were in the National Collection.

- 7.3 In financial terms, it was understood that HE would be taking on the long-term liability for the site but under the current structure that was the only way that the site could be incorporated in the National Collection.

7.4 Commission agreed to recommend to the Department of Culture, Media and Sport that Thornborough Henge (Northern) be taken into the National Collection at no cost to Historic England.

8 Corporate priority summary

- 8.1 The Chief Executive introduced the corporate priority summary. The Director of Policy & Evidence spoke about the importance of the Levelling Up & Regeneration Bill having become law. The new legislation was important because of the clauses within it relating to heritage protection, putting Historic Environment Records on a statutory basis, and to World Heritage sites. The implementation would take roughly three years and would involve a considerable amount of work by Historic England. Management will be making the case for increasing HE's grant-in-aid as part of this expansion.
- 8.2 In response to questions from Commissioners, the Director of Policy & Evidence referred to the work that HE is doing on socio-economic analysis. This work is to build the case over time to show the economic and social benefits of heritage. The data analysis needed to be supplemented by case studies showing the impact heritage has on communities.
- 8.3 Commissioners welcomed the decision to retain the skills summer school despite the funding difficulties.
- 8.4 The Director of Regions spoke about the success of the Heritage Action Zones (HAZ) programme. Eighteen had been completed with two still in progress. This was a successful outcome and evaluation of both the HAZ and High Street HAZ programmes is now underway.
- 8.5 The Director referred to the High Street HAZ programme, which the team was working hard to complete successfully by the financial year end. There were uncertainties about both the budget and the completion of some projects before programme closure. Spending is close to budget but there could be a relatively small under or overspend by the end of the financial year; planning was underway to deal with either situation. Work was underway in connection with the new Bradford HAZ, linked to the UK City of Culture in 2025. The Director said that Historic England hoped for more funding to deliver further Heritage Action Zones.
- 8.6 There was strong support from Commissioners for the High Street HAZ scheme and a recognition that it, and the wider Heritage Action Zone programme, had been successful. Commissioners encouraged management to seek the resources to continue the programme. It was recognised that match funding from local authorities was a serious challenge. Discussions would continue with central government and other potential funding partners.

- 8.7 The Director of Communications & Public Engagement highlighted the work done under the corporate plan theme of inclusion, diversity and equality (IDE). The everyday heritage grants programme, which formed part of this work, had received significant media coverage and 380 applications had been received. This was over £5M of bids and had considerably exceeded the planned budget.
- 8.8 Commissioners welcomed the progress on IDE, supported the introduction of the social mobility index and recognised that the national blue plaques programme would be challenging to deliver on the agreed time scale.
- 8.9 On planning and listing, the Director of Regions highlighted the focus on heritage at risk following the announcement of the HAR list in its 25th year. This had attracted considerable media coverage and offered an excellent opportunity to make connections. HE was looking at how to develop the programme further. Commissioners welcomed the coverage and the focus on speaking up for heritage.
- 8.10 Commissioners also welcomed progress on other items highlighted in the corporate priority summary including the success of the staff unconference, the publication of the draft HE advice note on climate change, and recognised the challenges on cyber security, not least following a serious incident at the British Library.
- 8.11 Commissioners welcomed the revised format of the corporate priorities summary but suggested that it was not necessary to constrain reporting to one page for each corporate plan priority and that it would be helpful for those activities not rated green to have a statement explaining why and what action was being taken to get the objective back on target.

Action: Director of Corporate Strategy & Business Improvement

8.12 **Commission noted the corporate plan priority summary and welcomed the updates.**

9 HE Key Messages

- 9.1 The Director of Corporate Strategy & Business Improvement and the Director of Communications & Public Engagement introduced the draft key messages that had been circulated for discussion. The Director of Communications explained that these draft messages followed discussion after the Commission visit to Newcastle and the meeting of the Commission in October. Two questions were posed by the report: are these the right key messages; and do they support Commissioners with stakeholder conversations over the next 12 to 18 months?
- 9.2 There was a broad welcome from Commission for the draft key messages. It was suggested that they would be strengthened by reference to case studies to show impact. Some Commissioners thought that the messages should be more robust in claiming that HE has made a difference. It was added that an element of jeopardy - the notion that things would have deteriorated if HE were not there - could be added too. Other suggestions included using planned brand work to develop a unifying idea to hold these messages together and adding the notion of saving as well as developing heritage.

9.3 Commission noted the report and discussed the questions within it.

10 EHT Licence: Heads of Terms

- 10.1 The Corporate Secretary and General Counsel explained the background to the draft heads of terms that had been circulated to the Commission prior to the meeting. The Corporate Secretary explained that, where possible, the new licence will be the same as the existing licence. The main questions arose over those aspects where Historic England and/or English Heritage Trust wanted to make changes.
- 10.2 Commission discussed the draft heads of terms, noted the progress made so far in the negotiations and looked forward to seeing the draft licence early in 2024.
- 10.3 Commission noted that shared services discussions continued and were linked to the licence renewal to some extent but had to be subject to a separate agreement (which would start at the same time).

11 Historic England Committee minutes and updates

- 11.1 Commission noted the minutes and oral updates from recent sub-committee meetings.

11.2 Commission noted:

- a **the minutes of the 28 September 2023 meeting of the Audit & Risk Assurance Committee;**
- b **the minutes of the 11 October 2023 meeting of the Business & Finance Committee;**
- c **the minutes of the 03 October 2023 Historic Estate Conservation Committee;**
- d **the minutes of the 21 September 2023 Historic England Advisory Committee;**
- e **the minutes of the 21 September 2023 meeting of the London Advisory Committee; and**
- f **oral reports from other recent sub-committee meetings.**

12 Casework Report

- 12.1 Commission received its regular update on Historic England's business critical casework and recent and forthcoming planning developments.

12.2 Commission noted the Casework Report.

13 Any Other Business

- 13.1 There was no further business.

14 Closed Session

14.1 Commission held a closed session.

Nick Kent
December 2023

Commission

Final Minutes of the 342nd meeting held on 12 October at Cannon Bridge House,
London, EC4

Commissioners present: Lord Mendoza (Chairman)
Nairita Chakraborty
Sandie Dawe
Sandra Dinneen
Paul Farmer
Lady Jane Gibson
Professor Helena Hamerow
Dame Julie Kenny
David Laing
Sir Jonathan Marsden
Patrick Newberry
Susie Thornberry
Richard Upton
Sue Wilkinson

Staff present: Duncan Wilson, Chief Executive
Michael Bishop, Director of Corporate Strategy & Business Improvement
Andy Brown, Director of Analytics (for part)
Liz Bushell, Director of Corporate Services
Claudia Kenyatta, Director of Regions
Nick Kent, Governance Officer (minutes)
Ian Morrison, Director of Policy & Evidence
Amy Pitts, Director of Communications & Public Engagement
Julia Ward, Head of the Chairman & Chief Executive's Office
Charlie Wheeler, Governance Officer (minutes)
Andrew Wiseman, General Counsel & Corporate Secretary

Others present: Gerard Lemos, Chair, English Heritage Trust (for part)
Mark Stuart-Smith, Interim Chief Executive, English Heritage Trust (for part)

1 Apologies, announcements and Declarations of Interest

- 1.1 Attendees were welcomed to the meeting.
- 1.2 Apologies had been received from Commissioners Ben Derbyshire and Robert Sackville-West; and from Katy Lithgow, Chair of the Historic Estate Conservation Committee.
- 1.3 Commissioners noted with sadness the unexpected death of Richard Lithgow, husband of Katy Lithgow, the Chair of the Historic Estate Conservation Committee.
- 1.4 The Chairman said that the Commission had a successful visit to Newcastle. Important announcements had been made by both main political parties recently that could have significant implications for the nation's heritage. It was important to

demonstrate that Historic England “had the heritage sector’s back”. This was demonstrated by HE’s lead in Birmingham where we led the call for heritage estate and museum collections to be protected following the City Council’s Section 114 notice.

Declarations of Interest

- 1.5 Dame Julie Kenny declared an interest in respect of item 10 as Chair of Wentworth Woodhouse Trust, a past recipient of a grant from the Hamish Ogston Foundation.
- 1.6 Sue Wilkinson declared an interest in respect of item 11 as Deputy Chair of the Churches Conservation Trust, a potential recipient of the Hamish Ogston Foundation grant.

2 Minutes of June 2023 Commission meeting and matters arising

- 2.1 The minutes of the 341st Commission meeting held on 22 June 2023 were approved as a correct record. **The Chairman requested that minutes be distributed in advance of meetings, and this was agreed.** The first two action points at the last meeting (appointment of new HE Chair and the publication of Department of Culture, Media & Sport (DCMS) guidance on contested heritage) had been completed. The planned discussion about pay would take place at the Remuneration & Appointments Committee on 27 November.

2.2 Action: Head of Governance

- 2.3 **Commission approved the minutes of the 341st meeting held on 22 June 2023 as a correct record.**

3 Chairman’s Report

- 3.1 The Chairman presented his first report as the new Chair. He congratulated Helena Hamerow and Ben Derbyshire on being re-appointed as members of the Commission for a second term. Highlights included the recent debate on the blue plaques’ amendment to the Levelling-Up Bill in the House of Lords and a forthcoming meeting with the Shadow Minister for Heritage.

- 3.2 **Commission noted the Chairman’s report.**

4 Chief Executive’s Report

- 4.1 Refreshed Commission reporting
The Chief Executive introduced his report. The Executive Team had changed the format of the report to reflect HE’s corporate plan priorities. In doing so, the changed format responded to the points made by the Campbell Tickell Board Effectiveness Review. It was hoped that the new format would enable Commission to have structured discussions. The changes in reporting were not complete and this report also included the old-style dashboard summarising organisational performance for the last time.

- 4.2 Highlights included work to prepare for the Autumn Statement and the 2024 Spending Review. Meetings had taken place with key figures in Parliament, including Ministers and Shadow Spokespeople.
- 4.3 Reinforced autoclaved aerated concrete
Following concerns about reinforced autoclaved aerated concrete (RAAC), risk assessments were carried out at the request of the DCMS at both HE and English Heritage Trust (EHT) buildings. RAAC is not present at any of HE's buildings and HE structural engineers have visited and confirmed the absence of RAAC at four buildings on the EHT estate about which there were concerns. HE staff continue to direct concerned owners and managers of heritage assets to the Institution of Structural Engineers' [guidance](#) on RAAC assessment and remediation. HE staff will also continue to provide specialist engineering advice where appropriate and where necessary in accordance with HE's standard practice.
- 4.4 Security of collections
The Chief Executive referred to the issue of security of collections following the serious thefts at the British Museum. A report would be going to the EHT trustees and then to HE. Four issues needed to be addressed: inventory, spot checks and completeness of records, together with whistleblowing procedures.
- 4.5 The Corporate Secretary said that the Audit & Risk Assurance Committee (ARAC) had received a report on security of collections since the incident and there would be a further report to the next meeting. The Corporate Secretary outlined HE's whistleblowing policy and drew Commissioners' attention to the fact that, when it was triggered, the Chair of ARAC was automatically notified separately from the Corporate Secretary. This approach should give members a degree of assurance that an effective system with an independent element was already in place at HE. It would be reviewed by ARAC.
- 4.6 World Heritage Committee
The Head of International Strategy had attended the recent meeting in Riyadh. The dialogue with UNESCO had improved but there were still significant differences of view. Commissioners expressed concern about the position as regards the World Heritage site at Stonehenge, where there was a risk of de-designation following the announcement of the A303 road improvements. A new State of Conservation report was required by UNESCO in February 2024, and the mitigation proposed for the new tunnel might not prove enough to re-assure the Committee. Members recognised that the risk to EHT of de-designation was significant and that the process within UNESCO was complex and multi-layered. It was important for the UK to show that we had listened and done our best to meet their concerns.
- 4.7 Shrewsbury Flaxmill Maltings
In response a request for an update from Commissioners, the Chief Executive explained Richard Upton had been helpful in arranging an introduction to Peter Barber Architects to prepare plans for the residential part of the site. It is anticipated that his practice's involvement will increase the chance of ensuring an exemplary development. Members recognised that this was a project of importance to HE and a test case for working with local authorities. Potential "meanwhile" use at the site would add value in the intervening period. The Chief Executive explained that HE saw EHT as becoming involved with the visitor experience. The Chair of EHT expressed his support and enthusiasm for the site.

4.8 Commission noted the Chief Executive's report.

5 HE Corporate Priority Summary

- 5.1 The Director of Corporate Strategy & Business Improvement introduced the new format for reporting HE's performance to the Commission. In due course, key performance indicators (KPIs) would replace the corporate activity red-amber-green (RAG) indicators used until now.
- 5.2 Commissioners welcomed the format. In the discussion a number of queries were raised and suggestions made for improvement, including:
- a the need for further numeric indicators in future editions;
 - b the possibility of including an indication of some of the challenges that HE might face in each priority;
 - c adding time frames where possible to show pace in getting to the next stage;
 - d the longer-term nature of some Corporate Plan priorities, such as inclusion, diversity and equality (IDE), where progress could not easily be shown;
 - e the absence of a section on public engagement compared to the previous reporting format.
- 5.3 The Chief Executive stated that IDE was embodied in the operational work of HE, for example, recruitment. The Director of Communications & Public Engagement said that management were working on adding public engagement to the new reporting format.

5.4 Commission discussed and noted the HE Corporate Priority Summary.

6 Financial Overview

- 6.1 The Director of Corporate Services presented the financial position at month six of the 2023-24 financial year and highlighted the following points:
- a The overall position was not significantly different from the last report to Commission; the balance between revenue and capital would be adjusted through the autumn supplementary process.
 - b Income to HE was expected to exceed the level forecast in the budget; management was exploring ways of reporting the income that comes to HE as an independent research organisation (IRO) as this income does not appear in current reports.
 - c The main issue on the expenditure side was that the pay award for the year had been settled; management had felt it right to pay the £1.5K non-recurring supplement that had been paid to civil servants; this had cost £1.6M which had been funded through temporary recruitment controls and other resources;
 - d The main risks to the budget were: the delivery of the national blue plaques scheme; the implementation of the digital strategy; and the fact that this was the last year of the High Streets Heritage Action Zones (HS HAZ) programme with significant expenditure falling due;

e It was hoped that the long-running VAT reclaim would be received in this financial year.

6.2 Commission noted the report. In response to a question, the Director of Corporate Strategy said that there were funds earmarked within the HS HAZ programme so that if it were not extended beyond 2023-24, redundancy costs would be covered.

6.3 The Director of Corporate Services referred to the proposed budget timeline for 2024-25 and the expectation that a draft budget would be ready at the end of December.

6.4 Commission noted the financial position for the year to date and forecast year-end positions; and the main risks to them. Commission also noted the budget timeline for 2024/25.

7 English Heritage Trust financial performance report

7.1 The Interim Chief Executive of EHT presented the financial performance report. He explained that visitor numbers were better and membership income was above budget in the year to date, but overall visitor income was down. Secondary spending at sites was down due to cost-of-living pressures. The current expectation is that the EHT will end the year with a smaller deficit than forecast in the budget. Capital projects are being delivered but a backlog of projects is building up. A strategic planning exercise is underway, linked to the renewal of the HE property licence.

7.2 In discussion of the report, the Interim Chief Executive said that the current deficit was forecast to clear in 2026-27 but the Trust would continue to need the Culture Recovery Fund loan to ensure they had the £20M cash buffer needed to operate. Interest on the loan was low and repayments would start in 2025. They did not expect tourist numbers to return to pre-pandemic levels until 2025-26. Exchange rates are encouraging US tourism to the UK at present but not helping with Chinese visitors.

7.3 The Chairman of EHT confirmed that part of the Trust's strategy was to increase income from events on the historic estate. EHT wanted to do more creative events but to increase revenue rather than visitor numbers.

7.4 The Chairman of EHT informed Commission that the recruitment process for a new Chief Executive had concluded and an announcement would be made shortly that Dr Nick Merriman, the Director of the Horniman Museum & Gardens, had been appointed. Commissioners welcomed Dr Merriman's appointment. The Chairman of EHT expressed his thanks to Mark Stuart-Smith for acting as Interim Chief Executive.

7.5 The Chairman congratulated EHT on successfully spending the £80 million grant following the separation of 2015. The Chief Executive reported that the licence agreement negotiations between HE and EHT were going well with draft heads of terms close to being agreed. The plan was to take the draft agreement to the Audit & Risk Assurance Committee in mid-November and the Commission at the end of November. If possible, the parties wanted the licence signed off by the end of March next year.

7.6 Commission noted the English Heritage Trust Finance Performance Report August 2023.

8 English Heritage Trust Annual Review 2022-23

- 8.1 The Chief Executive presented the annual review of EHT in 2022-23. He drew attention to the work of the Historic Estate Conservation Committee (HECC), whose annual review was an appendix to the main report.
- 8.2 In the absence of Katy Lithgow, Sir Jonathan Marsden summarised the HECC annual review. He explained that HECC was at a change moment – switching from a focus on capital projects, now that the government endowment had been spent, to monitoring the maintenance of the historic estate. He said that Katy Lithgow was keen for HECC to be advisory rather than supervisory. That would mean clarifying the relationship between HECC and the Audit Committees of both EHT and HE.
- 8.3 The scale of the conservation deficit was noted as a key issue for EHT. The Chief Executive said that the existing monitoring mechanism – the Sustainable Conservative Asset Management Plan (SCAMP) – would not, he felt, be sufficient to estimate the deficit without some high-level financial metric. This might be applied to properties deemed by the SCAMP to be in unsustainable condition. The Chairman of EHT said that the number of properties with defects had gone down and a nuanced view needed to be taken of this problem. The Chief Executive said that HE and EHT would need to take a view on this issue soon as it related to the licence negotiations.
- 8.4 The Chairman expressed the Commission's thanks for the report and commended the work of HE and of HECC.

<p>8.5 Commission noted the English Heritage Trust Annual Review 2022-23.</p>
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9 Spending Review 2024 Update

- 9.1 The Director of Corporate Strategy & Business Improvement presented a report to Commission on the Spending Review 2024, the process that will allocate public spending from April 2025. The report also detailed the work HE had been doing with DCMS on other fiscal events, notably the Autumn Statement.
- 9.2 Commission discussed the report, noting in particular that the context of the Review for HE was that grant-in-aid had fallen by half, in real terms, since SR10 and this raised questions of sustainability. The impact of the fall in grant-in-aid could be seen in the planning casework, with HE falling below the level of engagement needed because of financial pressures. Commissioners welcomed the additional resources from government for programmes such as HSHAZ but recognised that time-limited programmes took skilled people without fully covering running costs.
- 9.3 The close connection between housing and planning issues and the work of HE was raised in the discussion. Commission recognised the danger that HE could be seen as a block to developing essential housing when in reality developers often welcomed working with HE. The good work that HE was doing on policy development and planning engagement at local level deserved greater recognition and needed to be part of the story that HE told. The Chief Executive highlighted the successful media coverage of HE's stance on tall buildings as one example of how HE was influencing debate.

- 9.4 Commissioners recognised the successful reorganisation of HE. HE had delivered substantial change in recent years.
- 9.5 An important current concern was the financial instability of some local authorities and the risk this posed to heritage. Several of the 30-40 local authorities believed to be at risk of issuing a Section 114 notice owned significant numbers of monuments and other historic buildings. Local authorities had already lost a lot of listed building and conservation officers due to financial pressures. Councils tended to see heritage buildings as a problem, not an asset. HE was partly filling the gap left by local authorities stepping back and HE needed government to recognise that. It was recognised that part of the issue with planning and housing issues was that these were the responsibility of the Department of Levelling Up, Housing and Communities (DLUHC) but HE was sponsored by the Department of Culture, Media & Sport (DCMS).
- 9.6 There was general agreement that HE worked well in partnership with other ALBs and stakeholders. HE had developed skills in working with multiple government departments and with National Lottery Heritage Fund. This cross-government approach was something to be developed further.

9.7 Commission noted the Spending Review 2024 Update report.

10 Historic England Advice Note: Climate change and historic building adaptation

- 10.1 The Director of Policy & Evidence explained that the Advice Note was a technical publication aimed at local authority staff, councillors and developers. Once the draft has been completed, there would be public consultation and then it would need approval from DLUHC. It would be published alongside case studies and advice for home owners. The intention of the Note was to be clear about the adaptation of heritage buildings to respond to climate change.
- 10.2 Commissioners commended the draft Advice Note for its clarity and helpfulness. It was suggested that it would be important for HE to have clearer messaging and show more confidence in HE's advice on this issue to reach a wider audience. The Director of Communications & Public Engagement said that HE was launching an autumn campaign alongside the publication of the Advice Note aimed at homeowners with a list of the top five things owners could do to make their property climate friendly.
- 10.3 Commissioners noted the difficulties heritage building owners faced getting insurance because underwriters do not know how to value them, making insurance unaffordable in some cases. They also reflected on the need for local authorities to apply the advice and the importance of reaching beyond the owners of G1 and Grade 2* listed buildings to all owners of older buildings.

10.4 Commission noted the Historic England Advice Note on climate change and historic building adaptation

11 Legal arrangements with the Hamish Ogston Foundation

- 11.1 The Chief Executive introduced discussion of the paper by saying that HE had decided to end its relationship with the Hamish Ogston Foundation (HOF) following recent allegations. One further payment was due to be drawn down for work already completed. The Executive Team had decided that HE would fund the roles currently funded by HOF, including staff, traineeships and apprenticeships, to enable the heritage building skills programme to continue.
- 11.2 The Director of Corporate Strategy & Business Improvement said that the paper explained the timeline of events and the actions taken by management in response to the allegations in *The Sunday Times*. HE had been supporting staff and apprentices on the skills training scheme supported by HOF. The paper set out the proposed position to be jointly adopted by Historic England and the Historic England Foundation, the separate charitable trust through which the HOF grants had been channelled. This would mean an end to the relationship with HOF, no further draw down of grants except for the £263,000 already spent and the return to HOF of £50,000 of research grant.
- 11.3 The liability to HE resulting from this proposed decision would be in the range of £1.1M to £1.4M. HE would endeavour to raise funds to meet this shortfall.
- 11.4 The Corporate Secretary and General Counsel explained the potential legal and reputational risks to HE and the Historic England Foundation of withdrawing from the HOF funded programme.
- 11.5 Commissioners expressed support for the decisions taken by the Executive Team and the proposals outlined in the paper.
- 11.6 HE management had been liaising with others in the sector who had a relationship with HOF. Discussions with potential alternative donors were underway and were positive. The Executive Team would **report back to Commission** and the Audit & Risk Assurance Committee **would consider the matter** at a future meeting.
- 11.7 **Action: Executive Team and the Audit & Risk Assurance Committee**

11.8 **Commission noted the actions taken to date by Historic England and the Historic England Foundation. Commission commented on and adopted the Historic England and Historic England Foundation joint position set out in the paper.**

12 Historic England Committee minutes and updates

12.1 Commission noted the minutes and oral updates from recent sub-committee meetings.

12.2 **Commission noted:**

- a **the minutes of the 8 June and 7 July meetings of the Audit & Risk Assurance Committee;**
 - b **the minutes of the 14 June 2023 Historic Estate Conservation Committee;**
 - c **the minutes of the 29 June 2023 Historic England Advisory Committee;**
- and**

d **oral reports from other recent sub-committee meetings.**

13 Casework Report

- 13.1 Commission received its regular update on Historic England's business critical casework and recent and forthcoming planning developments.

13.2 **Commission noted the Casework Report.**

14 Any Other Business

- 14.1 The Lancashire Mills design code will be in the next casework report.

15 Closed Session

- 15.1 Commission held a closed session.

Nick Kent
October 2023



Commission

Final Minutes of the 341st meeting held on 22 June 2023 at Cannon Bridge House, London, EC4

Commissioners present: Laurie Magnus (Chairman)
Sandie Dawe
Ben Derbyshire
Sandra Dinneen
Paul Farmer
Jane Gibson
Julie Kenny
Jonathan Marsden (by VC)
Patrick Newberry (for part, by VC)
Robert Sackville-West
Richard Upton
Sue Wilkinson

Staff present: Duncan Wilson, Chief Executive
Michael Bishop, Director of Corporate Strategy & Business Improvement
Liz Bushell, Director of Corporate Services
Claudia Kenyatta, Director of Regions
Ian Morrison, Director of Policy & Evidence
Siobhan O'Donoghue, Head of Governance (notes)
Amy Pitts, Director of Communications & Public Engagement
Julia Ward, Head of the Chairman & Chief Executive's Office
Andrew Wiseman, General Counsel & Corporate Secretary

Others present: Gerard Lemos, Chair, English Heritage Trust (for part)
Kate Mavor, Chief Executive, English Heritage Trust (for part)

1 Apologies, announcements and Declarations of Interest

- 1.1 Attendees were welcomed to the meeting. In particular, a warm welcome was extended to Commissioner Dame Julie Kenny, attending her first meeting.
- 1.2 Apologies had been received from Commissioners Nairita Chakraborty, Professor Helena Hamerow, David Laing and Patrick Newberry (although Patrick would join virtually for Item 7, Financial Update, and Item 8, 2022-23 Annual Report & Accounts).
- 1.3 Commissioners congratulated Chief Executive Duncan Wilson, who had been awarded a CBE for services to heritage in the Birthday Honours.
- 1.4 Commissioners noted with sadness the recent death of Pam Alexander, Chair of the Heritage Alliance and former Chief Executive of English Heritage.

Declarations of Interest

- 1.5 Commissioner Ben Derbyshire declared a general interest in relation to the national blue plaque scheme, which was referenced in several papers, as he was brother-in-law to the EH Trust Curatorial Director. Commission noted the declaration of interest.

2 Minutes of 29 March 2023 Commission meeting and matters arising

2.1 The minutes of the 340th Commission meeting held on 29 March 2023 were approved as a correct record, subject to reflecting that Commission had ‘applauded’ the presentation on Historic England’s Heritage Crime work.

2.2 **Commission approved the minutes of the 340th meeting held on 29 March 2023 as a correct record.**

3 Chairman’s Report

3.1 The Chairman presented his regular report, which detailed activities since the last meeting and forthcoming events. Recent highlights included visits to Chatham, Bradford (UK City of Culture 2025), and Grimsby. All had highlighted the positive relationships between Historic England regional teams and local stakeholders.

3.2 Appointment of a new Historic England Chair: Commission was disappointed that an announcement had not yet been made regarding the appointment of a new Chair from 1 September 2023, and noted the potential impact any further delay might have on an orderly handover. **Commission agreed that its concerns should be conveyed in a letter to DCMS.** Should a new Chair not be in place for 1 September 2023, Commission supported the proposal that Deputy Chair Sandra Dinneen should act as interim Chair. [Secretary’s note: the appointment of Lord Mendoza was announced by the Secretary of State on 9 August 2023].

ACTION: Chairman

3.3 Re-appointment of Commissioners: There was no update regarding the re-appointment of Commissioners Ben Derbyshire, Professor Helena Hamerow and Sue Wilkinson, whose current terms expired on 31 August 2023; nor on the re-appointment of Sandie Dawe, whose term expires on 31 December 2023. [Secretary’s note: Ben Derbyshire and Professor Helena Hamerow were re-appointed for a further term of four years on 7 September 2023 and Sue Wilkinson’s and Sandie Dawe’s terms were extended for a further nine months].

3.4 **Commission noted the Chairman’s report.**

4 Chief Executive’s Report

4.1 The Chief Executive presented his regular report, which included a dashboard summarising organisational performance and principal updates from each Group since the last meeting.

4.2 Highlights included progress of the Levelling Up & Regeneration Bill and engagement with DCMS and DLUHC on related matters, and support to Government on the Energy Efficiency Review (EER) and associated report. Historic England continued to develop its Climate Change communications plan, pending publication of the Historic England Advice Note (HEAN), the timing of which was dependent on release of the EER report.

4.3 National Blue Plaque scheme: The expectation was that Historic England would be asked to administer a national plaque scheme outside of London, with the London Blue Plaques programme remaining with the English Heritage Trust for at least the duration of the current licence. Commission welcomed the potential opportunities that a national scheme would bring and emphasised the importance of delivering a high quality ‘demonstrator’ programme. It would also be important to learn from, and complement, the London plaque scheme and other local initiatives.

- 4.4 2023 Pay Award: At its meeting on 24 May 2023, the Remuneration & Appointments Committee had endorsed Historic England's proposed approach to implementing the 2023 pay remit, considering a range of factors including affordability. The Government pay remit had been subsequently updated to include an additional £1,500 one-off non-consolidated payment to staff. Historic England was considering cost implications, which equated to an additional £1million in 2023-24.
- 4.5 Performance dashboard: Commission noted and discussed the updates and RAG-ratings for major programmes, including contested heritage, the digital strategy, emergency funding programme closure activities, Heritage Action Zones, and the Hamish Ogston Foundation Heritage Building Skills programme. Regarding the digital strategy, several key roles had now been filled and the project was on budget. **Once published, the contested heritage reinterpretation case studies would be shared with Commission.**

ACTION: Contested Heritage programme SRO

- 4.6 Estates Strategy: The Strategy Project Board was working toward initial findings in autumn and conclusions by the end of the calendar year. Commission noted the activities underway, including data gathering on current office usage, staff requirements and working patterns, office culture and environment. The Strategy would also take into account opportunities around leases across the office estate.
- 4.7 Hamish Ogston Foundation: The Hamish Ogston Foundation had confirmed co-funding for a six-month research programme to investigate potential models for the long-term, sustainable expansion and delivery of the successful Heritage Building Skills programme.
- 4.8 Research News digital magazine: The latest edition focused on Historic England's collaborative research programmes with higher education institutions and other agencies, and highlighted several projects showcasing the breadth and value of Historic England's research activity.
- 4.9 Commission noted other matters covered in the Chief Executive's Report and appendices, including the launch of the *Hi! Street Fest* in Lowestoft, as part of the High Streets HAZ Cultural Programme; the update on the Environmental Impact Plan 2023 and the importance of integration and collaboration across agencies; casework updates, including Bramshill in Hampshire; progress in establishing the Levelling Up Places advice service; and progress across the Shrewsbury Flaxmill Maltings site.

4.10 Commission noted the Chief Executive's report.
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5 Shrewsbury Flaxmill Maltings (SFM): residential development and wider site disposal

- 5.1 Further to the general SFM update provided within the Chief Executive's Report, the Director of Corporate Strategy & Business Improvement presented a proposed approach for 'Stage 3' of the SFM redevelopment masterplan, which focused on the wider site redevelopment including the new residential scheme.
- 5.2 The current disposal route, supported by the existing outline planning consent, was for Historic England to go to the market in July 2023. Instead, a more considered and detailed approach to the tendering and disposal of the site was now being proposed, which would give Historic England greater control over the quality of the final scheme. If agreed, the revised approach was expected to extend the current disposal period from July 2023 to winter 2023/24.

- 5.3 Commission was supportive of the revised approach, and agreed the importance of delivering an exemplary 'benchmark' scheme at the Flaxmill, noting the potential reputational consequences of a poor-quality scheme.
- 5.4 On behalf of Commission, the Chairman thanked Commissioner Richard Upton for his advice and constructive challenge on the scheme.

5.5 Commission approved the proposal to develop further the Shrewsbury Flaxmill Maltings residential scheme (beyond the current outline consent) before seeking a development partner.

6 Draft Historic England Framework Document

- 6.1 Commission received the final draft Framework Document between Historic England and DCMS which set out Historic England's core responsibilities and priorities, as well as the broad governance and accountability framework within which Historic England and DCMS operated.
- 6.2 Subsequent to the circulation of the draft Framework Document with the papers, the Freedoms Charter (Annex B) had been approved by HM Treasury and shared with Historic England, and a final version of DCMS Commercial Requirements (Annex C) had also been received. It was agreed that final approval of any subsequent minor amendments be delegated to the Chairman and Chief Executive for approval.

6.3 Commission:

- a reviewed and approved the Framework Agreement document; and**
- b delegated final approval of any minor amendments and Annexes B and C to the Chairman and Chief Executive.**

7 Financial Performance

- 7.1 The Director of Corporate Services presented the financial position as at May 2023 and highlighted the following points:
- a A new line had been included in the overall Income & Expenditure table to reflect performance of the 'Historic England group' as this was the basis on which DCMS assessed financial performance.
 - b At this early point in the financial year, the year-end forecast was for a balanced budget.
 - c An interim delegation letter had been received from DCMS confirming the baseline allocation for 2023-24, which was in line with expectations.
 - d As reported earlier in the meeting, implications of implementing the non-consolidated one-off £1,500 pay remit payment were being considered, including a review of budgets and consideration of recruitment control measures. There were likely to be knock-on budget implications in future years. **It was suggested that the Remuneration & Appointments Committee might usefully explore pay issues further as part of a broader and more strategic discussion around pay at its next meeting.**

ACTION: Director of Corporate Services / Head of Human Resources

- e Regarding the national blue plaques scheme, it was confirmed that the business case was based on additional Grant-in-Aid funding from DCMS, funding from HE budgets, as well as fundraising income over a three-year period.

7.2 Commission noted the financial position for May 2023.

8 Draft 2022-23 Annual Report & Accounts

- 8.1 The Director of Corporate Services presented the draft 2022-23 Annual Report & Accounts (ARA), which had been reviewed in detail by ARAC at its 8 June 2023 meeting. Although no significant issues were anticipated, the NAO's audit was ongoing and, as such, Commission was being asked to delegate authority to ARAC to approve the final accounts upon receipt of the NAO's Audit Completion Report. The expectation was that the 2022-23 Annual Report & Accounts would be laid before Parliament in advance of the summer recess (20 July 2023).
- 8.2 The Chair of the Audit & Risk Assurance Committee drew attention to the prior year adjustment, which related to a change in accounting treatment of the New Model subsidy. This had been considered in detail by ARAC, and the Financial Controller had provided a thorough and clear explanation of this particularly complex matter.
- 8.3 The ARAC Chair commended the Historic England teams on the considerable effort and achievement in getting the ARA schedule back to a pre-pandemic timetable. On behalf of Commission, the Chairman thanked the teams involved with producing the draft 2022-23 Annual Report & Accounts.

8.4 Commission:

- a **noted that the Audit & Risk Assurance Committee (ARAC) had reviewed the draft 2022-23 Annual Report & Accounts, and considered the related NAO oral report, at its meeting on 8 June 2023;**
- b **noted and endorsed the assurance statement as set out in the report for inclusion in the Accountability Report of the 2022-23 Annual Report & Accounts;**
- c **approved the draft Annual Report & Accounts for the year ended 31 March 2023 and delegated final approval for any final amendments to ARAC, along with review of the final NAO audit completion report; and**
- d **authorised the Chairman and the Chief Executive to sign the Annual Report & Accounts for the year ended 31 March 2023 on behalf of the Commission, subject to the ARAC review (as per 8.4c, above).**

9 English Heritage Trust performance

- 9.1 The EH Trust Chief Executive was welcomed to the meeting. Financial performance at 2022-23 year-end was positive overall, with +2% better than budget income, including +5% on admissions income. Year-end membership income was lower than budget, reflecting various factors including cost-of-living pressures and the recovery of outbound tourism. Commercial income was on budget and included a positive variance on retail income.
- 9.2 Noting that 31 March 2023 marked the conclusion of the eight-year New Model period, the EH Trust Chief Executive reflected on the extraordinary journey since de-merger and the considerable achievements in exceeding New Model targets, despite the challenges of the

pandemic and, more recently, the cost-of-living pressures. Areas of focus for the immediate future would be membership, particularly retention, and organisational wellbeing.

- 9.3 The EH Trust Chief Executive, who was stepping down from the role at the end of June 2023, reflected on what a great privilege it had been to lead the organisation, and thanked the HE Chairman and Chief Executive for their support and partnership working. The EH Trust Chief Executive and Commissioners also reflected on what were likely to be the key challenges and opportunities for her successor, and for the Trust, as well as the wider sector, and the importance of continued partnership working between Historic England and the Trust.
- 9.4 On behalf of Commission, the Chairman paid tribute to the EH Trust Chief Executive and her significant role in the organisation's success. Commissioners conveyed their best wishes for the future. The current EH Trust Chief Operating Officer would be taking on the role of interim Chief Executive from 1 July 2023 with the full support and confidence of the outgoing Chief Executive and Trust Board.

9.5 Commission noted the update on the English Heritage Trust's performance.

10 2022-23 Corporate Performance and Risk

- 10.1 The Director of Corporate Strategy & Business Improvement presented the full-year results of performance against the Key Performance Indicators (KPIs) as agreed with DCMS and as reflected the 2022-23 Corporate Plan. It was noted that revised KPIs reflecting new strategic priorities were in development. Overall, the KPIs indicated a year of strong performance for Historic England, although there were some areas where performance had dropped slightly, and commentary was provided to give more context to these results.
- 10.2 Commission also received the current risk register, noting that this was reviewed by risk owners on a monthly basis, by Executive Team quarterly, and by the Audit & Risk Assurance Committee at each full business meeting. A small number of changes had been made to the register following the Committee's 8 June 2023 meeting.
- 10.3 Commission discussed Risk 7 (damage to corporate reputation), which had a post-mitigation red RAG-rating, and noted that the Audit & Risk Assurance Committee had also discussed this risk, and the associated risk around IT security and cyber-attacks, in detail at its last meeting. It was agreed that the rating was appropriate.

10.4 Commission noted and commented on the year-end summary of corporate performance and the current Corporate Risk Register.

11 HAZ and High Streets HAZ update

- 11.1 The Director of Regions presented the six-monthly update on the Heritage Action Zone (HAZ) portfolio, which included overviews of HAZ Rounds 1-3, the High Streets HAZ programme, a look ahead to future work, and key data and illustrative examples. Overall, the HAZ and High Streets HAZ programmes were in good shape. The focus for both programmes was now on effective closedown, evaluation, programme legacy, and consideration of 'what next', including possible models for future place-based programmes.
- 11.2 The following points were highlighted:

- a Close-down and evaluation of HAZ Round 2 schemes was underway. As reported previously, Round 2 schemes had proved more challenging than other Rounds, in large part due to the impact of the pandemic. Nevertheless, there had been good progress and the picture had improved in terms of spend against forecast and improved metrics.
- b Lessons from Rounds 1 and 2 had informed Round 3, and these schemes were performing well as they entered their final year.
- c The High Streets HAZ programme had been designed to see the bulk of spend in Years 2 and 3. Careful re-forecasting and re-profiling, additional funding from DCMS, and underspends in HE grants budgets, had helped ensure delivery to budget in Year 3. An approx. £1million overspend was forecast for Year 4, which was the final year of the programme.
- d As well as capital works, there were high levels of activity across the High Streets HAZ schemes with public engagement and cultural programmes. In some places, the impact of the High Street HAZ programmes had been transformational.
- e Both the *Hi! Street Fest* and *Picturing High Streets* programmes were live and running across the country. As the programme entered the final year, integrated public engagement and communications would continue to be a key focus for teams, as well as legacy arrangements.
- f A particular highlight of the programme had been the visibility and prominence of High Streets HAZ branding across schemes, and there were possible lessons to take forward for other Historic England grant programmes.
- g As this was the final year of the programmes, discussions with DCMS, DLUHC and other partners were turning to ‘what next?’ The High Streets HAZ Strategic Programme Board was holding a workshop on legacy and possible future approaches as part of its next meeting on 23 June 2023.

11.3 Commission welcomed the update on the programmes and steps underway to ensure effective closedown and legacy. The HAZ and High Streets HAZ programmes had been a considerable part of Historic England’s work and identity in recent years; they were a rich source of learning from across local communities, and also in terms of interaction with government, agencies and other partners, and for how Historic England worked. Commission discussed the importance of extracting the maximum possible value and learning from the programmes in terms of: sharing knowledge; influencing Government; other opportunities for advocacy; links with other agenda (such as health & wellbeing, and volunteering); and how Historic England’s own teams might work in future.

11.4 **Commission noted the updates on the HAZ portfolio including HAZ Rounds 1-3, High Streets HAZ, closedown activities, evaluation, communications & public engagement, and a look ahead.**

12 Culture Recovery Fund – HE Emergency Funding programme closure

- 12.1 The Director of Regions introduced the paper and gave an on-screen presentation summarising the key findings from the Historic England Emergency Funding Programme closure report, which covered evaluation of the Culture Recovery Fund (CRF) for Heritage and the Heritage Stimulus Fund (HSF), as well as lessons learned by the programme team.
- 12.2 The presentation covered: the background to the funding; the value of initial data-gathering and analysis; the aims and objectives of each of the funding streams; how Historic England had deployed resources including staff redeployment and new fixed term posts; delivery

mechanisms including partnership working; key evaluation findings; and the lessons learned, opportunities and legacy for Historic England. The presentation was supported by illustrative examples of the recipients and the types of projects supported by the funding.

12.3 Commission noted the summary of the Historic England Emergency Funding Programme closure.

13 Historic England Committee minutes and updates

13.1 Commission noted the minutes and updates from recent sub-committee meetings.

13.2 Commission noted:

- a **the minutes of the 23 March 2023 SFM Strategic Programme Board;**
- b **the minutes of the 19 April 2023 Historic Estate Conservation Committee;**
- c **the minutes of the 27 April 2023 London Advisory Committee;**
- d **the minutes of the 27 April 2023 Historic England Advisory Committee; and**
- e **oral reports from other recent sub-committee meetings.**

14 Casework Report and Planning Bulletin

14.1 Commission received its regular update on Historic England's business critical casework and recent and forthcoming planning developments.

14.2 Commission noted the Casework Report and Planning Bulletin.

15 Any Other Business

15.1 Forthcoming events and activities included the 5 July 2023 Summer Reception and the next regional Commission visit on 13 & 14 September 2023, which would be hosted by the North East regional team.

15.2 Commission noted with regret that this was the last meeting attended by the Head of Governance, who was leaving Historic England at the beginning of September 2023. Commissioners thanked her for her support and friendship over the years and conveyed their very best wishes for the future. The Chairman thanked Commission colleagues, past and present, for their tremendous contribution both at Commission meetings and as members of advisory committees and panels.

15.3 On behalf of Commissioners and staff, the Chief Executive paid tribute to Sir Laurie Magnus, whose term as Historic England Chairman ended on 31 August 2023. Sir Laurie was hugely admired and respected across the organisation, the sector and beyond, and would be greatly missed by colleagues at Historic England. Commissioners paid tribute to his insight, passion, and enthusiasm in championing the importance of heritage, and conveyed their very best wishes for the future. In response, Sir Laurie reflected on his tenure as Chairman - including his chairmanship of 59 Commission meetings - and other personal highlights. He also paid tribute to Historic England staff, in particular Duncan Wilson as Chief Executive, and members of the Executive Team.

15.4 There were no further items of business.

16 Closed Session

- 16.1 Commission held a closed session, which included consideration of the 2022-23 Commission Annual Appraisal and Review and the report on the 2022-23 external review of the Board's effectiveness.

Siobhan O'Donoghue
June 2023