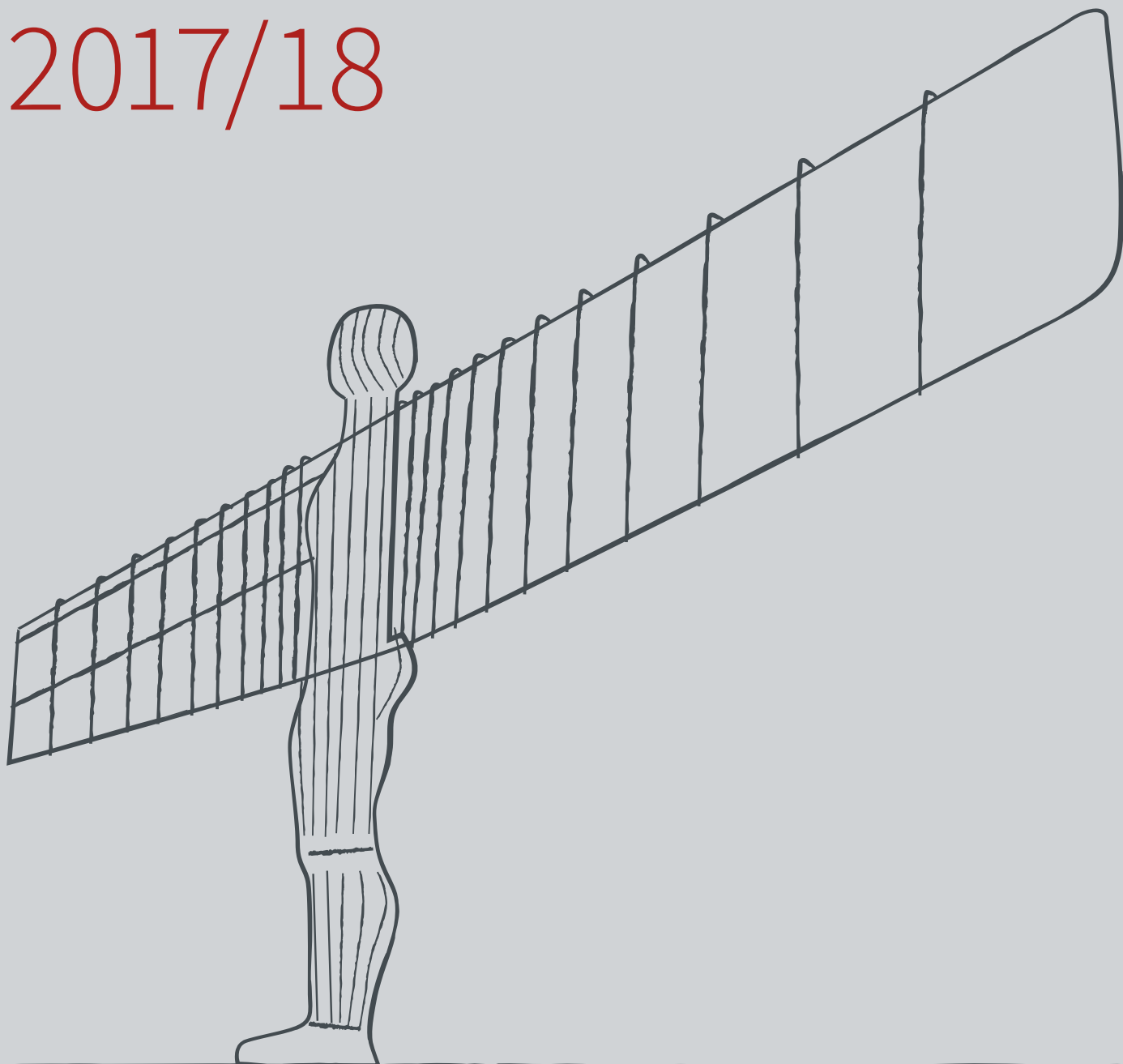


HISTORIC ENGLAND

# Annual Report & Accounts 2017/18



Historic England

HC 1194

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# Annual Report & Accounts 2017/18

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

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# Introduction

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I am delighted to report another very positive year at Historic England, with excellent progress being made in fulfilling our corporate aims.

We warmly welcomed the Heritage Statement issued by HM Government in December 2017, which expanded upon the Culture White Paper issued in March 2016. We have been working with other stakeholders within the heritage sector to implement the government's proposals, as well as with other Arm's Length Bodies within the cultural heritage and arts sectors, and with our colleagues in the Department for Digital, Culture, Media and Sport.

The championship and protection of England's historic environment remains firmly at the heart of Historic England's purpose. We have been encouraged by the increasing number of visits to our website, whether for advice or for access to sources of information such as the National Heritage List for England or our digital archive. This and our widening media coverage have all helped to raise public awareness of the importance of heritage as a key national asset, contributing to our sense of national and local identity and, very importantly, to our economic welfare.

Our Heritage Action Zone initiative has started to make an impact, helping to bring regeneration to historic places in ways which are tangible – creating employment, improving how areas look, restoring community pride and bringing Heritage at Risk back into use. The success of this initiative and of our work more widely depends on our ability to work effectively with partners – local authorities, developers, community groups, preservation charities and private owners. I would like to thank all those who have worked so constructively with us over the last year. We look forward to continuing to strengthen these relationships.

We have made excellent progress in seeking external financing for some of our work. We have increased revenues for our charged for Enhanced Advisory Services to help fund our expert advisory functions. We have received magnificent support from the Heritage Lottery Fund for our major restoration of Shrewsbury Flaxmill Maltings, the world's first iron-framed industrial building, together with some generous donations from a number of charitable trusts. Ecclesiastical Insurance Group has helped to fund our *100 Places* campaign and the Department for Education has committed to continue funding our transformational and inspiring Heritage Schools scheme. We are hugely grateful to all who have supported us, whether as customers or donors.

The English Heritage Trust has ended its third year as custodian of the National Heritage Collection with record results in terms of members, visitors and revenue. It remains committed to achieving a position of financial sustainability whereby, after 2022-23, it can cover the costs of its operations and fund its cyclical liabilities for conservation of the overall estate from its own resources. We currently provide a subsidy to cover the Trust's operating deficit.

We have started a programme of change to bring closer alignment between all of our operating functions – listing, planning, research, engagement and corporate services – in order to improve our efficiency and effectiveness. The programme has been largely welcomed by staff, but there is inevitable uncertainty whilst the detail is worked through. Historic England could not have achieved so much so successfully over the last year without the dedicated commitment and enthusiasm of our staff. My fellow Commissioners and I are particularly grateful to them, whether based in Swindon, the regional offices, London or Fort Cumberland, for their tremendous contribution.

During the year, Baroness Young of Hornsey OBE (who chaired the Remuneration and Appointments Committee) and Martin Moore (who chaired the Audit and Risk Assurance Committee) retired as Commissioners. Both contributed considerably to our work, in particular in relation to the implementation of the New Model which established the English Heritage Trust. They leave with our gratitude and will be much missed as wise counsellors and colleagues. Sandra Dinneen, Paul Famer, Patrick Newberry, Susie Thornberry and Richard Upton joined as Commissioners on 1 January, 2018. They are all warmly welcome.



**Sir Laurie Magnus**  
Chairman



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SECTION 1

# Performance Report

# Performance Report

## Overview

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

### Our Purpose

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

We help 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 spend time among them. We work with communities and specialists who 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.

We are also the sole member of a charity, The English Heritage Trust (trading as English Heritage), which manages the National Heritage Collection of more than 400 historic sites and monuments under the nation's ownership or protection. Under a licence from Historic England that runs to 2023, English Heritage cares for these places and opens them to the public.

### Our Aims

We have six corporate aims, which we set out and publish in our Corporate Plan:

#### Championing

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

#### Protecting Through the Listing and Planning System

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

#### Match-funding and Financial Incentives to Protect Places

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

#### Strengthening National Capacity and Resilience of the Heritage Sector

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



## Oversight of the National Heritage Collection cared for by English Heritage

We are responsible to government for the care and operation of the National Heritage Collection. We do this by working closely with the English Heritage Trust, who conserve the historic properties in the Collection and make sure they are open to the public to enjoy. We support the Trust in its operation of the estate and in its plan to achieve financial self-sufficiency.

## Improving Financial and Organisational Resilience and Accountability

We direct our resources on where we can have the most impact through innovation and a focus on achieving the best outcomes. We are developing better ways to measure our performance to demonstrate the public benefits of our work. We are building our fundraising capability and we charge the cost of our Enhanced Advisory Services to help resource our expert advisory functions.

## Chief Executive's Statement

This year we have continued to build on the progress made since we were established in 2015, in establishing ourselves as the guardian of all of England's amazing legacy of historic buildings and places, all over the country and around its shores. We work as a key part of the planning system and advise on which buildings and places should be granted statutory protection by listing or scheduling. Underpinning all of this is authoritative research. Without a commitment to widespread public engagement – not just to tell people what we are doing, but to recruit them into championing their own heritage – this activity would be much less effective, and so it is particularly pleasing to be able to report good progress in this area too.

## Key Issues and Risks

The way we manage operational and business risks generally is described in the Governance Statement that starts on page 21.

Like other organisations that rely mainly on public funding, we have had to manage continued pressure on our resources, particularly since 2010, and this is not expected to change in the near future. Developing new sources of income, and organising ourselves to deliver more for less, are both essential if we are to continue to make an impact.

It is vital that we grow our audience and engage a diverse range of people with their heritage. We must also champion the most important causes. That means, for example, prioritising the most significant planning casework where we can make a difference to vital cases; and allowing enough time for a strategic listing programme each year, prioritising neglected building and monument

types. It means addressing the protection of Conservation Areas with local planning authorities, who are themselves under huge resource pressure and are required to strike a difficult balance between apparently conflicting objectives. We can help with this, demonstrating how heritage can underpin sustainable growth and high quality development.

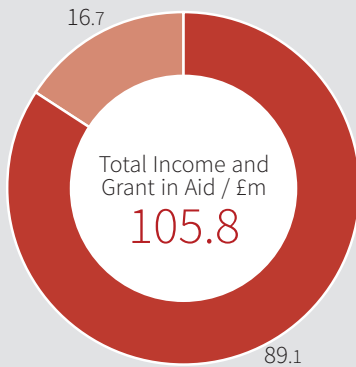
We are progressing well with our project to rescue Shrewsbury Flaxmill Maltings, a complex of industrial buildings of international significance, with support from the Heritage Lottery Fund and a number of private donors. This is further to our role as 'rescuer of last resort' of the most important and threatened examples of our heritage.

We are addressing these key issues in the context of an organisational review, which will refocus Historic England on four key areas – Policy and Evidence, Regional Delivery, Public Engagement and Corporate Services. This reorganisation will encourage more collaborative working between our specialist staff and enable a greater focus on public value and outcomes. We will apply that test to everything we do. It will also put us in good shape for the Department for Digital, Culture, Media and Sport's review of Historic England and of the 'New Model' that set up English Heritage, which is taking place later in 2018.

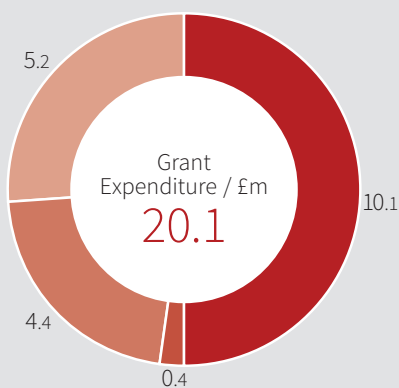
## Adoption of the Going Concern Basis

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

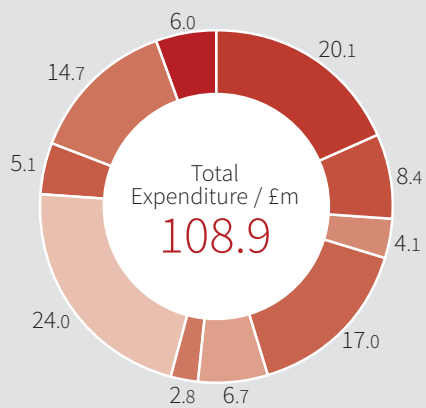
## Performance Summary



Grant in Aid	89.1
Self-generated Income	16.7
<b>Total</b>	<b>105.8</b>



Buildings and Monuments	10.1
Conservation Areas	0.4
Historic Environment	4.4
Other	5.2
<b>Total</b>	<b>20.1</b>



Grants	20.1
Research	8.4
Listing	4.1
Planning	17.0
Engagement	6.7
Communications	2.8
Corporate and Support Services	24.0
Shrewsbury Flaxmill Maltings	5.1
English Heritage Trust (Subsidiary)	14.7
<b>Total Cash Expenditure</b>	<b>102.9</b>
Depreciation, Amortisation and Impairment	6.0
<b>Total</b>	<b>108.9</b>

*The Grant in Aid figure quoted does not include funding for non-cash elements such as depreciation, amortisation and impairments but does include capital funding.*

# Performance Report

## Performance Analysis

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Our performance this year against our Key Performance Indicators (KPIs) is shown in the table on page 12. A Management Agreement with the Department for Digital, Culture, Media and Sport (DCMS) sets out the framework and resources within which we operate, and a report on our performance against those priorities starts on page 13.

We collect a range of performance data about the work we do to achieve our corporate aims and publish this in our Corporate Plan. More detail about how we monitor our performance and manage our risks is set out in the Governance Statement that starts on page 21.

### Highlights of the Year

#### Public Engagement

Our *Enriching the List* project, launched in 2016, encourages the public to add their knowledge and photos to the almost 400,000 entries on the National Heritage List for England (NHLE) – the official register of all nationally protected historic buildings and sites in England. We were delighted to hit a significant milestone this year with the 40,000th ‘enrichment’ of the List.

Other public engagement campaigns included *Twenty Intriguing Places* and the listing of the Humber Bridge as part of our *Hull, City of Culture* celebrations, which enjoyed excellent coverage in national, regional and international media.

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OVER **252,000**  
FOLLOWERS ON SOCIAL MEDIA

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Regular visitors to our website exceeded the number we received when we were part of English Heritage, with [www.historicengland.org.uk](http://www.historicengland.org.uk) reaching 525,000 visitors a month by the year end. Our more specialist and technical work continues to attract new followers, too. Our @HE\_Archaeology Twitter account now has over 82,000 followers and our digital magazine, *Research News*, has had over 30,000 page views and was downloaded more than 2,000 times.

#### Heritage at Risk

Our Heritage at Risk (HAR) programme has now been running for ten years, identifying the sites that are most at risk of being lost through neglect, decay or inappropriate development. We gave Heritage at Risk grants totalling £11.24million to 260 projects, helping to rescue a huge range of heritage from dovecotes to cold war bunkers; memorials, wreck sites and churches; mills and battlefields.

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**387** SITES REMOVED  
FROM THE  
HERITAGE AT RISK REGISTER

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In 2017-18 we removed at least one entry from the HAR Register for every day of the year. In doing so, we achieved one of our key targets – to reduce the number on the 2015 Register by 15 per cent for positive reasons – a year early.

*Engines of Prosperity*, our campaign to secure the re-use of textile mills, grew in momentum. In November 2017 we launched our second report, focusing on the loss and survival of historic mills in the north west. As a result we are now working with local authorities across the region, as well as Homes England and others, to re-purpose mills for homes and jobs. We also commissioned two reports focusing on London: *Translating Good Growth for London's Historic Environment*, and *Risky Business? Investing in Heritage at Risk*, which included case studies demonstrating how heritage management is at the heart of successful growth in our capital, as well as highlighting the wider economic, cultural and environmental benefits of investment.

We launched guidance on the re-use and adaptation of farm buildings in October 2017 with Lord Gardiner, Defra Minister. A new Countryside Stewardship grant programme, which offers funding for land managers to restore their historic farm buildings, was also launched in March 2018 and is being piloted in five National Parks. This partnership with Natural England and upland National Parks will be of immense value in helping owners to maintain and conserve these buildings and retain their significance for future generations.

### The National Heritage List for England

We commemorated the 70th anniversary of the 1947 Town and Country Planning Act, which established the listed building system that we know today, with a series of activities, including adding *Five Fascinating Places* to the NHLE. These included a Cabmen's Shelter in London, a pre-First World War wireless station in Stockton-on-Tees; and a complex of 19th-century funerary buildings at Willesden Jewish Cemetery (United Synagogue Cemetery). Our national overview, *20 Intriguing Places*, highlighted a further selection of unique sites (from more than 1,000 additions made to the NHLE in 2017) including a working men's institute; 18th-century milestone markers; seaside pleasure gardens; and military sites dating from the 1st and 20th centuries.

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## 70 YEARS OF THE LISTED BUILDING SYSTEM

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The first listing as a result of our Post-Modernism research project was John Outram's colourful Pumping Station on London's Isle of Dogs in June 2017 at Grade II\*. The listing of further important examples from this influential period of British architecture continued in 2018. Our Post-War Schools project also saw the addition to the List of more than a dozen exceptional schools in October 2017, including a plastic classroom known as 'the bubble' in Preston, Lancashire and Patty Hopkins' high-tech Fleet Infants School in Hampshire.

Our work to improve understanding, recording and protection of places of worship included a review of mosques, which resulted in a number of enhanced listings and two additions to the List, including the 1970s London Central Mosque and Islamic Cultural Centre in Regent's Park (Grade II\*). We also published a landmark book, *The British Mosque: An Architectural and Social History*, by architect Shahed Saleem, which is the first ever overview and exploration of these important buildings at a national level. In October 2017, we also published an illustrated chronological overview of Nonconformist church architecture in England with Christopher Wakeling's *Chapels of England*, covering examples from the smallest wayside chapels to the grandest urban structures.

### Our Research

We managed a complex portfolio of over 400 research projects during the year and made some remarkable discoveries. There was global reporting on our scientific dating team's work at West Kennet, near Avebury, Wiltshire, where timber palisaded enclosures were dated to c.3300 BC, meaning they are some 800 years older than previously thought and an entirely new form of prehistoric monument.

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## MORE THAN 400 RESEARCH PROJECTS

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Research on medieval human skeletal remains excavated from Wharram Percy, a deserted village in North Yorkshire, revealed that the bodies had been decapitated, dismembered and burnt; suggesting that this treatment was possibly an attempt to stop the corpses rising from their graves.

As well as revealing stories of our past, our research has also focused on current issues affecting our historic environment such as our work on natural capital and ecosystem services, which has been developed in light of the government's 25 Year Environment Plan, published in January 2018.

Offshore, we worked with the Dutch Cultural Heritage Agency on the excavation and recording of the remains of the Dutch East India Company vessel, *Rooswijk*, which sank on the treacherous Goodwin Sands off the Kent coast in 1740. Artefacts recovered in summer 2017 included seamen's chests, pewter jugs and spoons, bottles, silver coins and also more poignant, personal items, such as leather shoes and a clay pipe.

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## 18 HERITAGE ACTION ZONES NATIONWIDE

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The *Rooswijk* project is also contributing to Ramsgate's Heritage Action Zone (HAZ) initiative, providing a focus for community pride, a sense of shared history and of belonging. Following the recent announcement of the second round, there are now 18 Heritage Action Zones across the country, where we are working with local people and partners to unleash the power in England's historic environment to create sustainable economic growth and improve quality of life in villages, towns and cities.

## Sharing Our Expertise

We are committed to making as much of our research available to as wide an audience as possible, and our online *Research Report* series includes our own work as well as research we have funded other organisations to carry out. In 2017-18 it was accessed more than 125,000 times. The series includes the findings of our *First World War Fieldworks in England* project, part of our contribution to the national Centenary Partnership programme commemorating the First World War, which helped the discovery, identification and protection of previously unrecognised remains.

During 2017-18 we produced a wide range of advice, evidence and advocacy publications and webpages, including our monthly *Planning Bulletin*, which highlights recent and forthcoming developments in the world of planning from a heritage perspective; and, on behalf of the heritage sector, *Heritage Counts*, the annual audit of England's heritage. We also re-launched our *Listing Selection Guides*, a series of 20 thematically-arranged web-based guides that provide detailed information about what may be eligible for listing. As well as referring to the latest legislation and linking to DCMS's Principles of Selection, the guides explain our current understanding of each type of building including their characteristics, their history and how they developed through time.

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**138,000** DOWNLOADS  
OF OUR ADVICE AND GUIDANCE

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## Supporting the Sector

We developed some much needed technical guidance for the sector, including several reports on managing archaeological resources and others on the management and investigation of the historic environment, including *Understanding Place: Historic Area Assessments*. A new section of our website, *Your Business*, also provides information and practical advice to owners of small and medium-sized businesses operating in historic buildings including how to look after them and how to make changes.

Our training programmes continued to be popular, with more than 2,600 participants this year. We produced a variety of training activities including 39 HELM (Historic Environment Local Management) events; 33 'Essentials' events, designed for local authority planners and early entrants to historic environment services; and two 'Heritage Practice' courses, for heritage practitioners.

In conjunction with the Chartered Institute for Archaeologists, we held a series of workshops exploring key issues for the future practice of development-led archaeology in England, including the changing role of local and national advice and the sustainability of archaeological archives. On this last topic, we have also been working with partners in the sector to prepare recommendations for DCMS in response to the proposed actions in the Mendoza Review of museums in England.

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**4,300** SECTOR  
TRAINING  
OPPORTUNITIES DELIVERED

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We hosted a wide range of incoming visits from foreign delegations to learn about England's heritage protection system and share knowledge, as well as income-generating consultancy work in countries including China, South Korea and Norway. In mid-March we saw the first fruits of a new Memorandum of Understanding between Historic England and the Chinese Academy of Cultural Heritage, with the successful *Wall to Wall: the Hadrian's Wall and Great Wall of China Management Seminar*, hosted by Newcastle University. The event brought together experts from the Great Wall of China and Hadrian's Wall in a professional workshop to share experience and to develop longer-term collaboration between organisations working along the two walls.

## Sponsorship and Fundraising Projects

Following a grant from the Heritage Lottery Fund, the c.£28million major restoration of the Grade I Shrewsbury Flaxmill Maltings complex started in June 2017, with completion expected by March 2021. The repair and renovation of this, the world's first iron-framed building, will deliver a new interpretation centre and 28,000 ft<sup>2</sup> of space for commercial and creative use, firmly placing the site at the heart of the wider regeneration of north Shrewsbury. Our new Philanthropy team has also made great progress against our own £1million fundraising target to support the Flaxmill Maltings, with a number of successful funding applications to trusts and foundations.

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OVER **1,000,000**  
SEARCHABLE DOCUMENTS  
AND PHOTOGRAPHS IN  
THE HE ARCHIVE

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2017-18 saw us launch our most ambitious public engagement campaign to date, with *Irreplaceable: A History of England in 100 Places*. It is fully sponsored by specialist insurer Ecclesiastical, and is our first sponsored campaign. We are seeking the public's help to create a list of the 100 places across ten categories, which tell the remarkable story of England and its impact on the world. It has generated a great deal of interest with more than 3,000 public nominations received so far, and the accompanying *100 Places* podcast series has reached more than 25,000 listeners.

Our 2017 crowd-sourcing campaign to find lost public art led to the rediscovery of *The Sunbathers* from the 1951 Festival of Britain, and we followed that up this year with a successful crowd-funding campaign to restore the sculpture and enable its return to public display at the Royal Festival Hall in London.

The Historic England Archive is an incredible resource, with over one million photographs, plans and drawings of England's historic environment searchable for free online. This year, we began to mine the archive for stories and curated collections to share with the public and successfully applied to the Wellcome Trust for a grant of £55,000 to catalogue and digitise a collection of more than 4,000 photographs showing healthcare in England between 1938 and 1943, making them available to the public for the first time in more than 70 years.

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**25,000** LISTENERS TO  
OUR FIRST PODCAST SERIES

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### Learning and Apprenticeships

In April, we received confirmation that the Department for Education will invest a further £1.6m into our award-winning Heritage Schools programme, which will allow the scheme to continue until 2020 and reach a further 120,000 children. To date, the programme has worked with nearly 3,000 schools and by 2020 we expect to have reached almost 600,000 children.

As part of our ongoing response to the government's 2016 *Culture White Paper*, our Historic Environment Trailblazer group has been developing new apprenticeships for historic environment roles. We have engaged with over 70 employers, professional bodies and training providers to develop six heritage apprenticeship standards, two of which are now approved by the Institute for Apprenticeships, with the others on track to be confirmed by September 2019. We have also recruited our first two non-heritage apprentices to our Finance and Listing Information Services teams based in Swindon.

Our heritage training placement scheme saw 12 young people who identify as having Black, Asian or other Minority Ethnic Heritage or mixed heritage, gain skills and experience for a career in the sector. In light of the scheme's success we are increasing the number of placements available at Historic England in 2018-19, and other placements will be available at, and funded by, other heritage bodies.

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**OVER 3,000**  
HERITAGE SCHOOLS TEACHERS  
AND EDUCATORS TRAINED

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### World Heritage Sites

We continue to provide detailed advice on the A303 road improvement proposals within the Stonehenge World Heritage Site, to ensure they are fit for this extraordinary world-class landscape. We have been working closely with Highways England, the National Trust and the English Heritage Trust so that the necessary measures are included in the scheme to protect this unique heritage site.

In the last year, we have responded to several proposals for tall buildings affecting the setting of the Royal Botanic Gardens Kew World Heritage Site. We have been working with the local authority to steer its strategic planning framework to an approach based on assessment of these impacts, and are working with the Royal Botanic Gardens on the review of the WHS Management Plan.

We have also been working hard with the applicant and local authority in Hayle, part of the Cornwall and West Devon Mining Landscape World Heritage Site, on development proposals for South Quay and, following initial concerns about potential harm to the site's Outstanding Universal Value, ICOMOS and UNESCO have now withdrawn their objection to the scheme.

We will continue to take a robust stance where proposals would cause major, unjustified harm to our heritage; and will engage actively with owners and others to find alternative schemes that are sensitive to the historic places in which they sit.

## Improving Service and Delivery

We continue to improve efficiency year on year. In September 2017 we moved our London-based staff to new accommodation, Cannon Bridge House, which will release a saving of £2.4million over the lease period. Across our other offices, including Cambridge, we have successfully increased income by £97,000 a year by sub-letting space to other arm's length and heritage bodies. We plan to further rationalise our office space over the coming years by reducing our estate and sharing more space where we can.

We are also reducing our accommodation and administration costs by developing more agile ways of working. We have rolled out a new telephone system and updated software that better supports mobile working and web conferencing. This, along with changes to our travel and subsistence policy, means that we will reduce the time and environmental impact of staff travel and expect to save approximately £100,000 a year.

Having re-tendered our main IT facilities management support contract in 2016-17, we have now seen a full year's worth of savings. Total savings in this area over the four year Spending Review period, excluding one-off costs, will be over £2million.

2017-18 was the last year of the three-year arrangement in which Historic England and the English Heritage Trust provided various shared services to each other. Contracts have been re-negotiated for the next three years, meaning that both our organisations will continue to optimise the efficiency of their operations. There will be a significant reduction of income to us, but savings in back office areas such as HR, internal communications, governance and internal audit will offset these reductions to some extent during the coming three-year period.

By refocusing spend away from back office services over the next few years we can re-invest in frontline areas such as grants, apprenticeships, our digital offer and public engagement.

## The English Heritage Trust

2017-18 was the Trust's third year of operation under the eight-year licence from Historic England. It had a positive year, achieving its overall targets. Its 2017-18 outturn was a net income of £1.3million, a positive movement of £7.5million from 2016-17. It invested £42.5million in the conservation and maintenance of the Collection, and welcomed nearly 6.5m visitors to the staffed sites, a record-breaking total continuing its three year period of growth. In detail,

English Heritage saw:

- steady progress in numbers of admissions (6.5m to paid for sites, up 10%) and membership (969,000, up 6%);
- continued improvement in admissions and membership related income (£64.6m, up 11.8%);
- retail and catering income growth (£23.3m, up 11%);
- growth in income from donations, legacies, licensing, sponsorship and advertising (£7.9m, up 76%); and
- expenditure growth (5%) lower than income growth (13%)

Conservation highlights include the start of the ambitious £3.6million restoration project of the Iron Bridge in Shropshire and other substantial projects at Wrest Park, Osborne House, Framlingham Castle and Hurst Castle. Other highlights included the exhibition at Portchester Castle about the 2,500 black and mixed-race prisoners of war held there in 1796; and the creation of new on-site visitor experiences at Framlingham Castle, Hailes Abbey, Battle Abbey and St Augustine's Abbey.

In addition to the joint review of shared services, English Heritage also reviewed its own organisational structure. The resulting changes from both of these reviews, combined with a move to new accommodation and other streamlining activities, will help English Heritage progress towards its goal of financial independence and sustainability by 2023.

Of the £80million capital grant from government, English Heritage has now spent 44% of the £52million allocated to conservation repairs; and 60% of the £28million allocated to improved visitor facilities, with five years of the licence remaining.

## Performance against our Corporate Key Performance Indicators in 2017-18

Historic England Corporate Key Performance Indicators		2017-2018	2016-2017	2015-2016
KPI 01	Number of visits to our website	5.53m	4.40m	2.51m
KPI 02	Advice and guidance downloads from our website	138,000	135,000	115,000
KPI 03	Research publications downloads from our website	196,000	151,000	75,000
KPI 04	Number of page views of our digital Archive <sup>1</sup>	7.8m	16.7m	13.9m
KPI 05	Number of page views of the National Heritage List for England	7.5m	6.8m	5m
KPI 06	Media coverage (national and local print and broadcast items)	3,335	2,269	1,072
KPI 07	Number of followers on social media channels	252,250	215,300	n/a
KPI 08	Number of subscribers to our Historic England online newsletter	81,000	80,900	n/a
KPI 09	Number of Heritage Schools training participants (teachers and other educators)	3,123	2,935	2,487
KPI 10	RepTrak™ survey score <sup>2</sup>	77.3%	78.4%	75.7%
KPI 11	Changes to the National Heritage List for England (additions, amendments and deletions)	10,200	10,200	9,100
KPI 12	Historic sites newly identified through our work and added to Historic Environment Records <sup>3</sup>	4,000	6,000	4,500
KPI 13	Total cost of grants given	£20.1m	£19.9m	£19.4m
KPI 14	Number of planning pre-application proposals advised on	2,700	3,200	3,700
KPI 15	Number of planning cases advised on	21,000	22,200	22,000
KPI 16	Sector training opportunities delivered <sup>4</sup>	4,300	3,000	2,900
KPI 17	Number of volunteers we have engaged <sup>5</sup>	n/a	5,902	n/a
KPI 18	Adult visits to heritage sites <sup>6</sup> :			
	■ Percentage of black, asian and minority ethnic visitors	58.1%	57.3%	56.3%
	■ Percentage of lower socio-economic visitors	61.7%	61%	63.4%
	■ Percentage of visits by people with disabilities or long-term illness	70%	68%	67.7%

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

2 UK average score for a public service body is 65.7. Historic England is ranked seventh of the top 10 public bodies, we were ranked eighth in 2017-18.

3 The decrease from 2016-17 is owing to a number of factors including external delays in adding records to HERs and a change in focus to other areas of aerial investigation work.

4 2017-18 figure includes our online training offer.

5 Owing to resource constraints and a change in activities during the year, this data is not available for 2017-18 and will no longer be monitored as a corporate KPI from 2018-19 onward.

6 Source: *Heritage Counts 2017* – 74.2% of all adults visited at least one heritage site in the preceding 12 months.



# Management Agreement Progress Report

Priorities for DCMS	Progress in 2017-18
<p><b>Protect core services to government and the public</b></p>	<p>We have maintained our substantial engagement in the listing and planning system. This year we made over 2,198 recommendations for listing to the Secretary of State with an acceptance rate of 100% (1,794 and a 99.9% acceptance rate in 2016-17).</p> <p>We were consulted on over 21,000 planning cases, and over 1,000 Local Plans and Strategic Environmental Assessments.</p> <p>We responded to 99.6% of planning cases within the agreed deadline and detailed advice was given on 27.6% of these.</p>
<p><b>Protect, as far as possible, grants for emergency repairs to the fabric of historic sites at risk</b></p>	<p>£11.24million in grant aid was spent directly on Heritage at Risk in 2017-18 (£11.04million in 2016-17).</p>
<p><b>Review funding and working relationships with the amenity societies</b></p>	<p>Our National Capacity Building (NCB) grants are offered to activities and projects that strengthen the ability of the sector to reduce risk to the historic environment.</p> <p>The 2017-18 NCB grant spend was £1.4million and funding for Regional Capacity Building grants was £1.1million.</p> <p>We have introduced quarterly reporting and end of year evaluation, to enable us to assess the balance between financial efficiency and projects meeting their aims and objectives.</p>
<p><b>Diversify revenue streams.</b> <b>In particular:</b></p> <ul style="list-style-type: none"> <li>■ develop Historic England's commercial offer at home and abroad;</li> <li>■ pursue philanthropic approaches to generate revenue, which will complement Grant in Aid funding; and,</li> <li>■ work with the Heritage Lottery Fund to develop new models for drawing in wider sources of funding in support of heritage</li> </ul>	<p>Total non-government income this year was £16.6million, of which £11.5million was from shared services to English Heritage and DCMS. Our earned income was more than £500,000 over budget at year end.</p> <p>Income from our Enhanced Advisory Services has grown to £457,000, much of which is as a result of Service Level Agreements relating to national infrastructure projects, such as HS2.</p> <p>Our Philanthropy Team (formally Development) is performing well and exceeded its 2017-18 targets.</p> <p>The Charity Commission has now approved the registration of the Historic England Foundation.</p> <p>HLF is the main funder of the c.£28million major restoration of Shrewsbury Flaxmill Maltings, which began in June 2017. The programme remains on schedule and within budget.</p>
<p><b>Work with DCMS to engage internationally, especially with high priority countries as indicated by Government</b></p>	<p>We have signed a Memorandum of Understanding with the Chinese Academy for Cultural Heritage and held a professional seminar (Wall to Wall) exploring and celebrating Hadrian's Wall and the Great Wall of China.</p> <p>Our relationship with the British Council is developing well and we have delivered training and advice in a number of countries including China, South Korea, Pakistan, Belgium and Norway.</p> <p>Eighty-five of our guidance documents are now available in hard copy and print on demand from our warehouse and via Amazon sites in the UK, United States, Germany and shortly Japan.</p>
<p><b>Give high priority to supporting the delivery of the outcomes of the Cultural White Paper</b></p>	<p>We continue to progress the broad range of objectives from the White Paper, including the national Heritage Action Zone programme, and the Heritage Information Access Strategy, which improves access to local authority heritage data online.</p> <p>Our 2017-18 campaigns, particularly <i>100 Places</i>, have generated a great deal of public engagement.</p> <p>We launched our <i>Another England</i> project which aims to reach Black, Asian or other Minority Ethnic (BAME) audiences to engage with heritage.</p> <p>Our Heritage Training Placement scheme, aimed at people who identify as having BAME heritage or mixed heritage was a success and we will make more placements available in 2018-19.</p> <p>Our work leading the Historic Environment Trailblazer has led to three new heritage apprenticeship standards and we are participating in other Trailblazer groups relevant to historic environment roles.</p>

Priorities for DCMS	Progress in 2017-18
Continue to bear down on administration costs, to enable a larger portion of the funds provided by government to be used on core services	<p>We have reduced accommodation costs by enabling more agile ways of working and, in some of our offices, sub-letting space to other public bodies.</p> <p>Having attained Cyber Essentials accreditation, our IT security is compliant with the government's digital strategy and we have rolled-out new telephony and software to better support mobile working and web conferencing.</p> <p>A new print management solution is being rolled-out across our estate, reducing the number of printers and paper consumption.</p> <p>Revisions to our staff travel and subsistence policies have also reduced the impact of staff travel.</p>
Support English Heritage	<p>The English Heritage Trust has been operating the National Heritage Collection for three of the eight years of its licence.</p> <p>We have been supporting English Heritage through tapering income subsidy and have been monitoring the performance of its duties under the operating licence and grant conditions, which has been satisfactory.</p> <p>The Trust's financial performance this year has been good. It has developed a detailed plan to fund the charity and is reviewing its approach to conservation in order to prioritise funding more effectively. It has also implemented a new organisational structure.</p> <p>We have reached agreement on the level of shared services for the next three years. This will see a reduced charge to the Trust from April 2018.</p>

Priorities for other departments	Progress in 2017-18
Ministry for Housing, Communities and Local Government (MHCLG): provide advice and assistance in the ongoing reform of the planning system, regeneration, infrastructure and the provision of new housing in historic areas, as well as community and local government issues.	<p>There has been active engagement with MHCLG on the National Planning Policy Framework (NPPF), the Housing White Paper consultation, implementation of the Housing and Planning Act (permission in principle), and housing.</p> <p>We have also completed two research projects on NPPF compliance in planning decision-making and the heritage dimension of planning applications.</p> <p>Having developed and discussed with government a long list of potential planning and heritage reforms, work is now underway on advice to clarify which will require consent. Other work includes reviewing the handling of Scheduled Monument Consent.</p>
Defra: advice and assistance in relation to climate change, the Rural Development Programme and the contribution of rural heritage to the sustainability of rural communities, economic development and tourism. Supporting delivery of Defra's Rural Productivity Plan and National Parks Plan to include assisting with government's commitments made on increasing apprenticeships in rural areas and in National Parks.	<p>To assist DCMS discussions with Defra on domestic food, farming and environmental policy after EU exit, we supported DCMS engagement with the 25 Year Environment Plan and the Health and Harmony consultation. In collaboration with Natural England, we commissioned a review of cultural heritage in existing Natural Capital Accounting assessments. We will undertake further social and economic research to develop the business case for conserving rural heritage, and to show the potential benefits of future investment for rural economies, tourism and wider communities.</p>

As part of our Management Agreement with the DCMS, we collect data on six key areas of our work, these are:

Management Agreement Performance Indicators	2017-2018	2016-2017	2015-2016
No. and % of sites removed each year from the Heritage at Risk Register for positive reasons	387 (7.2%)	435 (7.9%)	604 (10.5%)
Number of proposals advised upon pre-application	2,700	3,200	3,700
Training opportunities delivered	4,300	3,000	2,900
% of requests for Historic England's advice processed within agreed deadlines	99.6%	99.9%	99.7%
Online views of the National Heritage List for England	7.5m	6.8m	5m
Advice and guidance downloads	138,000	135,000	115,000

# Sustainability Report

This report has been prepared in line with the requirements under Greening Government Commitments.

Data for 2014-15 includes activity that is now the responsibility of the English Heritage Trust. The data for 2015-16 onwards is for Historic England only.

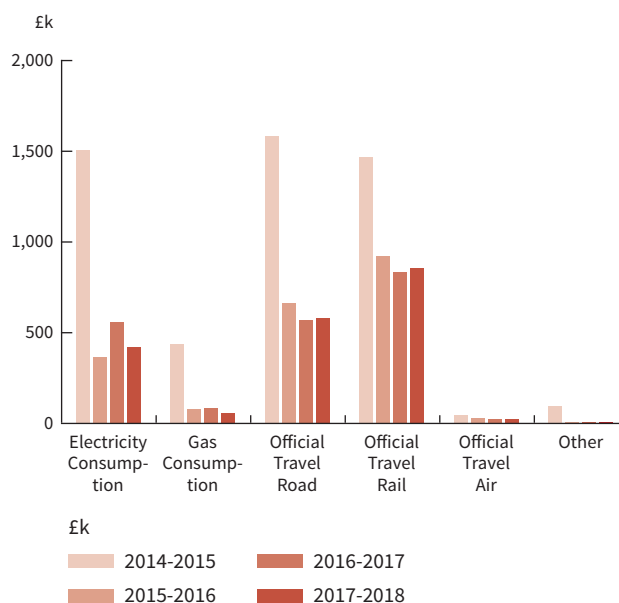
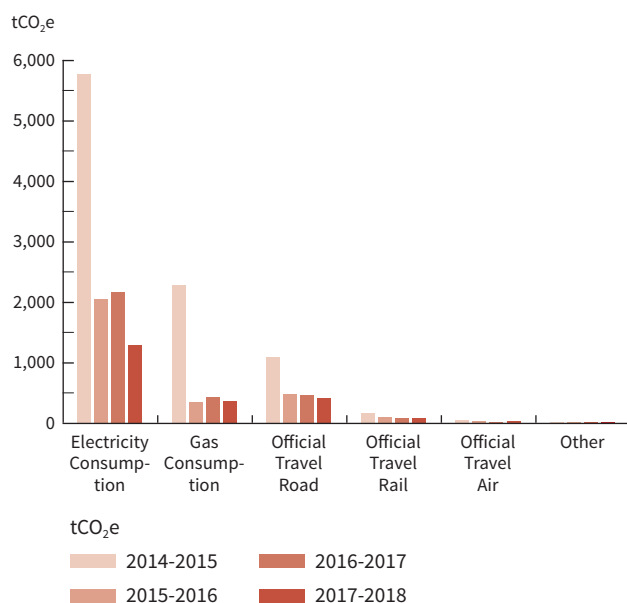
## Greenhouse Gas Emissions

	2014-2015	2015-2016	2016-2017	2017-2018
<b>Non-Financial Indicators (tCO<sub>2</sub>e: tonnes of CO<sub>2</sub> equivalent)<sup>6</sup></b>				
Total Gross Emissions for Scopes 1 & 2 <sup>7</sup>	8,045	2,380	2,571	1,635
Total Net Emissions for Scopes 1 & 2 (i.e. less reductions – e.g. green tariffs) <sup>8</sup>	8,045	2,380	2,571	1,635
Gross Emissions Scope 3 Business Travel	1,283	576	537	506
Other Scope 3 Emissions Measured	-	-	-	-
<b>Related Energy Consumption (kWh: kilowatthour)</b>				
Electricity: Non-Renewable	11,668,174	4,414,481	5,222,681	3,644,194
Electricity: Renewable	-	-	-	-
Gas	8,139,913	1,843,784	2,279,064	1,922,904
LPG	127,220	-	-	-
Other	2,944,953	-	-	-
<b>Financial Indicators</b>				
Expenditure on Energy	£1,932k	£438k	£633k	£472k
CRC License Expenditure (2010 onwards)	£131k	£40k	£34k	£30k
CRC Income from Recycling Payments	-	-	-	-
Expenditure on Accredited Offsets (e.g. GCOF)	-	-	-	-
Expenditure on Official Business Travel	£3,169k	£1,604k	£1,414k	£1,451k

<sup>6</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 [www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017)

<sup>7</sup> and <sup>8</sup> Scopes 1 and 2 relate to emissions from sources owned or controlled by Historic England or from the consumption of purchased energy.

## Greenhouse Gas Emissions in Tonnes and by Cost



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

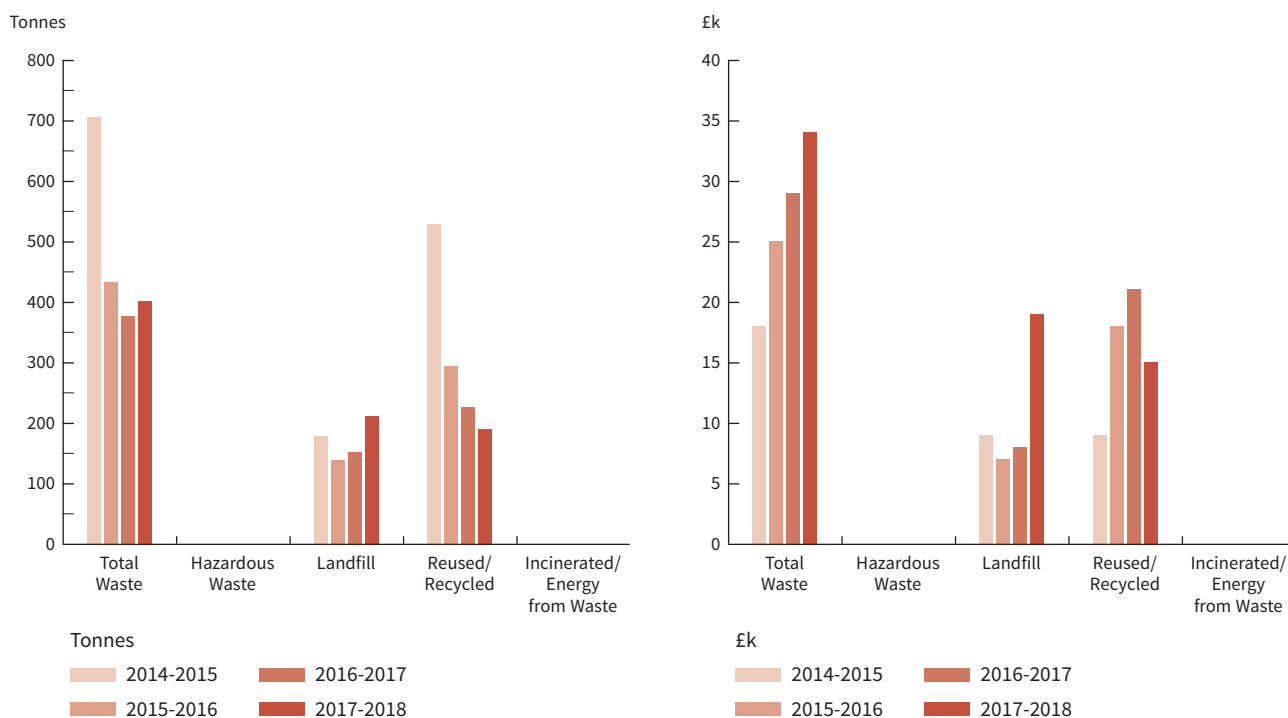
Historic England uses smart meters installed across all energy types to control and manage energy usage, which has contributed to the decrease in greenhouse gas emissions.

The move to new office accommodation in London in 2017-18 has resulted in a significant reduction in the amount of purchased energy consumed. The new office is far more energy efficient, which has contributed to a 36% reduction in emissions.

## Waste

	2014-2015	2015-2016	2016-2017	2017-2018	
<b>Non-Financial Indicators (tonnes)</b>					
Total waste	705	432	376	401	
Hazardous waste	Total	-	-	-	
	Landfill	177	138	151	211
Non-hazardous waste	Reused/Recycled	528	294	225	190
	Incinerated/energy from waste	-	-	-	-
<b>Financial Indicators</b>					
Total disposal cost	£18k	£25k	£29k	£34k	
Hazardous waste – Total disposal cost	Landfill	£9	£7k	£8k	£19k
	Reused/Recycled	£9k	£18k	£21k	£15k
Non-hazardous waste – Total disposal cost	Incinerated/energy from waste	-	-	-	-

### Waste Volumes and Disposal Routes in Tonnes and by Cost



The facilities management contract continues in maintaining tight waste management procedures at the two largest office premises.

Moving to a new London office has been an opportunity to reduce the amount of space required and to adopt new working practices. As a result, there has been a one-off increase in the volume of waste left for disposal of any redundant or unnecessary items.

## Water – Finite Resource Consumption

		2014-2015	2015-2016	2016-2017	2017-2018
<b>Non-Financial Indicators (m<sup>3</sup>)</b>					
Water Consumption	Supplied	134,663	8,729	10,006	9,591
	Abstracted	-	-	-	-
<b>Financial Indicators</b>					
Water Supply Costs		£276k	£25k	£22k	£21k

Historic England has continued to explore new systems which could reduce the flow of water being used within the offices. The usage (toilets and showers) is reflective of individual employee needs in maintaining health and welfare.

## Paper – Finite Resource Consumption

		2014-2015	2015-2016	2016-2017	2017-2018
<b>Non-Financial Indicators (Reams)</b>					
A3 Paper		546	680	325	345
A4 Paper		10,311	6,380	6,567	7,385
<b>Financial Indicators</b>					
A3 Paper		£3k	£1k	£1k	£2k
A4 Paper		£32k	£11k	£18k	£17k

Of the total paper purchased by Historic England, 69% uses environmentally friendly sources. The biggest users of paper have been targeted to switch to recycled paper. In addition, IT solutions have been successfully utilised, which has reduced the printing of papers for committee and board meetings. There have been a number of major projects this year that have required a significant amount of printing and although the volume has not decreased, better use of the contract supplier has resulted in a reduction in costs.

## Performance on Other Matters

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

We have a zero tolerance policy for any form of modern slavery, coerced labour or human trafficking within our own business, our supply chains or amongst grant recipients. In 2017-18, we received no alerts regarding suspect incidents of modern slavery via our whistleblowing mechanisms. Our Modern Slavery Transparency Statement can be found in full on our webpages.

We are committed to ensuring that the opportunities for, and potential impact of, any incidences of bribery, fraud and corruption are minimised. All our staff are required to act honestly and with integrity, and to safeguard the public resources that they are responsible for. During the year, no staff were disciplined or dismissed for any act constituting bribery or corruption. In the first year of assessment against the government's new Counter Fraud Functional Standards, we achieved an overall score of 78%, which is considered a very good score for a body of our size and risk.

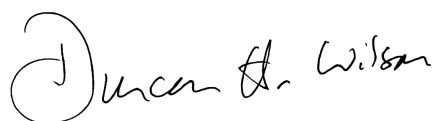
In 2017-18, we began work on the development of our Public Value Framework, which we will begin to implement from 2018-19. By developing new outcome-led performance measures, we will be able to better monitor and demonstrate the public benefits and social impact of our work, and track our impact on the historic environment. We are mindful of risk and uncertainty and will continue to keep our KPIs under review and, when necessary, update them to reflect changes to our operating environment.

## Long Term Expenditure Trends

	2013-2014 £m	2014-2015 £m	2015-2016 £m	2016-2017 £m	2017-2018 £m	2018-2019 £m	2019-2020 £m
Grants	17.8	19.4	19.4	19.9	20.1	23.9	16.2
Research	8.5	8.8	8.5	8.6	8.4	8.3	8.7
Listing	3.9	4.0	4.0	4.0	4.1	4.1	4.2
Planning	18.7	18.1	17.5	17.3	17.0	17.3	17.2
Engagement	8.0	9.3	6.9	6.4	6.4	6.4	6.3
Communications	-	-	2.1	2.4	2.7	2.8	2.8
Shrewsbury Flaxmill Maltings	1.3	1.9	2.5	1.5	5.1	1.8	10.9
National Collections	77.9	72.2	-	-	-	-	-
Corporate/Support Services to Historic England	21.7	23.9	14.3	13.1	13.5	13.6	12.8
Depreciation, Amortisation and Impairment	8.3	7.8	9.0	6.9	6.0	8.0	8.0
<b>Expenditure relating to core Historic England activities</b>	<b>166.1</b>	<b>165.4</b>	<b>84.2</b>	<b>80.1</b>	<b>83.4</b>	<b>86.0</b>	<b>87.1</b>
Corporate and Support Service to Third Parties	-	-	10.9	11.8	10.8	8.0	8.0
Subsidy to The English Heritage Trust	-	-	15.8	14.7	14.7	13.8	12.3
Grant to The English Heritage Trust	-	80.0	-	-	-	-	-
<b>Expenditure relating to services provided to third parties</b>	<b>-</b>	<b>80.0</b>	<b>26.7</b>	<b>26.5</b>	<b>25.5</b>	<b>21.8</b>	<b>20.3</b>
<b>Total</b>	<b>166.1</b>	<b>245.4</b>	<b>110.9</b>	<b>106.6</b>	<b>108.9</b>	<b>107.8</b>	<b>107.3</b>

## Our Position at the Close of the Year

Historic England received £89,122,000 (2016-17: £87,806,000) Grant in Aid funding from DCMS to fund revenue spend and capital programmes. Non-Grant in Aid income for the group totalled £107,194,000 (2016-17: £90,712,000) of which £95,109,000 (2016-17: £85,223,000) was earned income from commercial activities. The net expenditure for the group for the year ended 31 March 2018 was £90,862,000 (2016-17: £99,201,000), while Historic England showed net expenditure of £92,230,000 (2016-17: £92,856,000). English Heritage made an unrestricted operating surplus in the year of £7,364,000 (2016-17: surplus of £2,527,000).



**Duncan Wilson**  
Chief Executive  
21 June 2018

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SECTION 2

# Accountability Report

# Accountability Report

## Overview

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

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

## Corporate Governance Report

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### Directors' Report

Historic England's official name is the Historic Buildings and Monuments Commission for England (HBMCE). It is in a group with The Historic England Foundation, The English Heritage Trust, English Heritage Trading Limited, the Iveagh Bequest, English Heritage Limited and Historic England Limited. Further details of Historic England's purpose can be found in the Overview that starts on page 4.

#### Commissioners and Executive Team Members

Historic England's Chairman, Sir Laurie Magnus, was appointed on 1 September 2013. Details of his remuneration and that of Duncan Wilson, the Chief Executive, can be found in the Remuneration and Staff Report that starts on page 26. A full list of Commissioners and Executive Team members who served between 1 April 2017 and 31 March 2018 are also included in the Remuneration and Staff Report.

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

#### Responsibilities of Commissioners

The key responsibilities of Commissioners are to:

- ensure that the statutory responsibilities of Historic England are undertaken;
- provide expert advice and guidance on heritage matters;
- establish the overall strategic direction of Historic England;

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

#### Register of Interests

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

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



## Fraud and Personal Data Related Incidents

Historic England suffered no material fraud losses during 2017-18. All losses, including immaterial amounts and failed attempts (for example phishing emails), were reported to DCMS in accordance with our Management Agreement. No significant losses of information took place and no reports were made to the Information Commissioner's Office during 2017-18.

## 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 and The English Heritage Trust from 1 April 2015. The Iveagh Bequest, English Heritage Limited and Historic England Limited are all dormant and are not subject to audit or independent examination. Audit fees charged for the year are reported in note 16.

## Statement of Commissioners' and Accounting Officer's Responsibilities

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

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

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

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

The Accounting Officer for the Department for Digital, Culture, Media and Sport has designated the Chief Executive as the Accounting Officer of Historic England. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable,

and for keeping proper records and for safeguarding Historic England's assets, are set out in *Managing Public Money* published by HM Treasury.

A copy of the Accounts Direction is available from Historic England, The Engine House, Firefly Avenue, Swindon, SN2 2EH.

## Disclosure of Relevant Audit Information

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

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

## Governance Statement

### Scope of Responsibilities

The Historic Buildings and Monuments Commission for England, known as Historic England, is a non-departmental public body, whose statutory purposes are set out principally in the National Heritage Act 1983. The 2002 Act makes further provision in relation to our functions. Our corporate aims are set out in our Corporate Plan, and a Management Agreement with DCMS sets out the framework and resources within which we operate. Accountability to ministers and Parliament is maintained in accordance with the Management Agreement and through my role as Accounting Officer.

### The Purpose of our System of Governance

The overriding purpose of our governance system is to maximise the potential of the organisation to achieve its aims. It is designed to control risk to a reasonable level: our approach is to identify and prioritise the risks to the achievement of our aims by evaluating the likelihood of those risks being realised and their impact should they be realised. We then aim to manage them effectively and economically in proportion to the threat they pose to our objectives.

## The Governance Framework

Governance within Historic England is exercised through the following bodies.

- **Commission** is Historic England's governing body, comprising non-executive Commissioners appointed by the Secretary of State for Digital Culture, Media and Sport. Its key responsibilities are summarised in the Directors' Report on page 20. Commission met formally on five occasions in 2017-18. Commissioners also participated in three two-day regional site visits and met once with English Heritage Trustees.
- **Audit and Risk Assurance Committee** members are appointed by the Chair of Commission and have a broad range of experience in finance, risk management and governance. The committee seeks contributions from others when it considers that its work may be enhanced by specialist support. It reports to Commission, and carries out its work by testing and challenging the assurances it receives on the effectiveness of internal controls and risk management, the way in which these assurances have been developed, and the management priorities on which they are based. It receives half-yearly reports on corporate performance, including the management of risks, and has oversight of governance arrangements generally. It met four times in 2017-18. The Audit and Risk Assurance Committee provides an annual report to Commission. The committee was given the opportunity to comment on and challenge the assurances made in this Governance Statement.
- **Executive Team** comprises the Group Directors who report to me and other members of senior management. Each of my direct reports is personally accountable to me for the achievement of the aims of the organisation and the management of risks, where the risks are wholly or partly the responsibility of their area. I delegate authority to incur costs and make decisions in accordance with limits set in the Management Agreement and our Finance Manual. The Executive Team meets on weekly basis. In the absence of a Group Director, a senior member of staff will attend in their place.
- Historic England also has three non-executive committees that advise staff and the Commission on specific strategy, policy and casework matters: the Historic England Advisory Committee; the London Advisory Committee and the Designation Review Committee. There are three further committees to help manage internal business: the Historic Estate Conservation Committee, the Business and Finance Committee and the Remuneration and Appointments Committee.

Full membership and details of individuals' expertise are available on Historic England's web pages. Details of membership and attendance during 2017-18 are detailed in the following tables.

### Attendance at Executive Team Meetings

Name	Executive Team
Duncan Wilson Chief Executive	37/44
Deborah Lamb Director of Engagement	40/44
Roger Bowdler Former Director of Listing	11/13
Gillian Grayson Interim Director of Listing	27/31
Meryl Hayward Director of Finance, HR and IMT	39/44
Michael Harlow Former Corporate Secretary	26/32
Ian Morrison Director of Planning	30/32
Carol Pyrah Assistant Director of Planning	32/44
Celia Richardson Director of Communications	36/44
Dermot Sloane Interim Director of Research	3/5
Chris Smith Former Director of Planning	5/6
Stephen Trow Former Director of Research	34/44

## Attendance at Commission and Business Committee Meetings

Name	Commission	Audit and Risk Assurance Committee	Business and Finance Committee	Remuneration and Appointments Committee
Sir Laurie Magnus, Chairman	5/5	n/a	3/3	2/2
Paul Baker	4/5	n/a	n/a	n/a
Sally Balcombe <sup>1</sup>	2/5	n/a	2/3	0/2
Alex Balfour	4/5	n/a	1/3	n/a
Nicholas Boys Smith	5/5	3/4	3/3	n/a
Professor Martin Daunton	4/5	n/a	n/a	n/a
Sandra Dinneen <sup>2</sup>	1/1	0/0	0/0	n/a
Paul Farmer <sup>2</sup>	0/1	n/a	n/a	1/1
Professor Mike Fulford	5/5	n/a	n/a	0/0
Victoria Harley <sup>3</sup>	5/5	n/a	n/a	1/1
Rosemarie MacQueen MBE	5/5	n/a	n/a	n/a
Neil Mendoza	4/5	4/4	3/3	n/a
Martin Moore <sup>4</sup>	1/1	3/3	2/2	1/1
Michael Morrison	4/5	n/a	n/a	n/a
Patrick Newberry <sup>2</sup>	1/1	0/0	0/0	1/1
Charles O'Brien	5/5	n/a	n/a	n/a
Susie Thornberry <sup>2</sup>	0/1	n/a	n/a	0/0
Richard Upton <sup>2</sup>	1/1	n/a	n/a	n/a
Baroness Young of Hornsey OBE <sup>5</sup>	1/2	n/a	n/a	1/1
Alan Hurst <sup>6</sup>	n/a	n/a	n/a	1/1
Simon Judge <sup>7</sup>	n/a	3/4	n/a	n/a

<sup>1</sup> Business and Finance Committee chair.

<sup>2</sup> Appointed 1 January 2018.

<sup>3</sup> Remuneration and Appointments Committee chair from 1 August 2017.

<sup>4</sup> Term ended 30 June 2017; Audit and Risk Assurance Committee chair until 30 June 2017.

<sup>5</sup> Term ended 31 July 2017; Remuneration and Appointments Committee Chair until 31 July 2017.

<sup>6</sup> Independent Remuneration and Appointments Committee member; term ended 31 June 2017.

<sup>7</sup> Independent Audit and Risk Assurance Committee member; Audit and Risk Assurance Committee chair from 1 July 2017 to 13 April 2018.

## Monitoring the Effectiveness of Governance

As Accounting Officer I am responsible for the effectiveness of the system of governance. I am assured as to its effectiveness by:

- the work of the Executive Team;
- the work of the Audit and Risk Assurance Committee;
- an annual programme of internal audit reviews;
- the advice of the Corporate Secretary and other specialist governance staff;
- twice-yearly performance and risk reports;
- the advice of external auditors;
- the annual written assurances provided to me by each of my direct reports; and
- the assurances gained from the work of other specific committees and boards, including the Business and Finance Committee, the Operational Risk Review Board and programme and project boards.

My views on the effectiveness of Historic England's governance are discussed with the Executive Team and the Audit and Risk Assurance Committee.

We report twice a year to DCMS on progress against the Management Agreement priorities (see the year-end report for 2017-18 on page 13) and I hold regular meetings with senior DCMS staff, as do other members of the Executive Team. Meetings with ministers take place as required.

Commission sets the aims for the organisation, as published in our Corporate Plan. The Plan also sets out the steps for delivering the aims, targets and other indicators of success against which performance is measured. Progress in 2017-18 is set out in the Performance Report that starts on page 4.

Risks are monitored primarily through our corporate risk register, which is updated according to the perception of risks at the time. Both the Executive Team and the Audit and Risk Assurance Committee consider the risk register and our performance against corporate objectives at least twice a year. Commission also reviews performance and risk reporting at year-end.

Performance management, including the monitoring of risks, is an ongoing process and our procedures and practice remain under constant review to ensure effective control, good management and accountability.

During 2017-18, the Audit and Risk Assurance Committee, as part of its role in supporting me as the Accounting Officer in the preparation of this Governance Statement, commissioned a comprehensive, independent Assurance Mapping exercise. The review focused on priority business and risk areas, collating the various internal and external assurances available and identifying potential gaps. The

review found sufficient assurances on performance and compliance, and evidence of performance monitoring, reporting and compliance, adherence to rules, and means of obtaining external feedback. The overall assurance was assessed as 'medium', reflecting that, whilst there is adequate assurance, there remain some gaps that may impact on our ability to effectively monitor compliance or performance. Several actions for improvement have been agreed and the committee will be monitoring progress over the coming year.

The Audit and Risk Assurance Committee also received detailed reports and presentations on key business and risk areas including: the English Heritage Trust's performance; cyber-security; our preparations for the General Data Protection Regulation; the Shrewsbury Flaxmill Maltings programme; and other operational risks.

This year, the Internal Audit team carried out reviews in areas including: shared service provision to DCMS; controls around Heritage at Risk grant provision; delegation of financial authority; and follow-up work on the previous gateway review for the Shrewsbury Flaxmill Maltings programme. Internal Audit also monitors and reports on the implementation of recommendations from previous assignments.

On the basis of the reviews completed during the year, the Head of Internal Audit has given an adequate overall assurance opinion on the adequacy and effectiveness of Historic England's risk management, governance and internal control arrangements.

## Whistleblowing

We have a whistleblowing policy that commits us to working to a high standard of integrity within a culture of openness and honesty. The policy identifies various routes for concerns to be raised internally and we signpost independent sources of advice on whistleblowing, such as the Public Concern at Work charity.

## Open Government and Freedom of Information

Historic England is subject to the public sector freedom of information regime. In 2017-18 we answered 382 requests under this legislation. As part of our ongoing commitment to transparency and accountability, much of our information is available via our website.

## Corporate Governance This Year

The system of governance continued in place in Historic England for the financial year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts. It accorded with HM Treasury guidance, including the *Corporate Governance Code of Good Practice 2017* in so far as it is applicable to Arm's Length Bodies.

In my role as Accounting Officer, I received written assurances from the directors that report to me that Historic England maintained a sound system of governance during the year, whilst managing risks and safeguarding the public funds and departmental assets in accordance with the responsibilities in *Managing Public Money*.

At the year-end Commission and the Executive Team undertook reviews of their own effectiveness, looking at all relevant matters including:

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

Commission and the Executive Team both concluded that their operations had been satisfactory and that the data provided to them had been adequate for sound decision-making and risk management.

## Conclusion

The governance regime we had in place has provided me, as the Accounting Officer, with adequate assurance that Historic England is making the best use of its resources in achieving its aims, while controlling risks to an appropriate degree. I believe the governance regime was fit for its purpose in 2017-18 and remains so. My fellow Executive Team members and Commission support this view. I am further assured in this view by an Internal Audit report, which provides assurance that this Governance Statement is supported by evidence assembled by management.



**Duncan Wilson**

Chief Executive and Accounting Officer  
21 June 2018

# Accountability Report

## Remuneration and Staff Report

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The Remuneration and Staff Report 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. Other relevant details relating to remuneration and staff are also included.

This Report has been prepared in accordance with the Government Financial Reporting Manual.

### Remuneration Report

#### Remuneration Policy

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

#### Remuneration and Appointments Committee

The Committee's Terms of Reference are available on the Historic England website. 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. Its role in the oversight of staff remuneration and reward is 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 its role, the Committee provides advice and oversight external to the Historic England management, necessary to demonstrate public accountability.

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

The Committee is chaired by Victoria Harley and met twice in 2017-18. It comprises five Commissioners, including the Committee Chair.

#### Executive Team Contracts

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

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

The remaining Executive Team Directors are participants in the organisation's Performance Related Pay Scheme for senior managers, which allows for awards of up to 7.5% of salary. 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 the Remuneration and Appointments Committee.

The performance of those Executive Team members who do not report directly to the Chief Executive are assessed by the relevant Executive Team member to whom they report and their recommendations are put forward to the Chief Executive.

## Emoluments of the Commissioners

The following information has been subject to audit:

	Appointments since 1 April 2016	Appointments ended since 1 April 2016	2017-2018 £'000	2016-2017 £'000
<b>The Chair of the Commission</b>				
Sir Laurie Magnus			40	40
<b>Current Commissioners</b>				
Paul Baker			4	4
Sally Balcombe			–	–
Alex Balfour			4	4
Nicholas Boys Smith			4	4
Professor Martin Daunton			4	4
Sandra Dinneen	1 Jan 2018		1	–
Paul Farmer	1 Jan 2018		1	–
Professor Mike Fulford			8	8
Victoria Harley			4	4
Rosemarie MacQueen MBE			4	4
Neil Mendoza			4	4
Michael Morrison			4	4
Patrick Newberry	1 Jan 2018		1	–
Charles O'Brien			8	6
Susie Thornberry	1 Jan 2018		1	–
Richard Upton	1 Jan 2018		1	–
<b>Former Commissioners</b>				
Lynda Addison OBE		19 Oct 2016	–	4
Martin Moore		30 Jun 2017	1	4
Baroness Young of Hornsey OBE		31 Jul 2017	1	4

Commissioners' emoluments are wholly related to basic fees in respect of their duties as Commissioners and as Chairs of Advisory Committees. No Commissioner received any performance related fees. All Commissioners' appointments are non-pensionable. Commissioners' emoluments are set by DCMS.

## Advisory Committee and Panel Members

Charles Wilson, who was not a Commissioner, chaired the Historic England Urban Panel during 2017-18 and received an emolument of £2,000 in total during the year (2016-17: £4,000). No other non-Commissioners received emoluments during the year.

## Single Total Figure of Remuneration for Executive Team

The following information has been subject to audit:

	Salary		Performance Award <sup>1</sup>		Pension Benefits <sup>2</sup>		Total	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Duncan Wilson OBE</b> Chief Executive	120-125	120-125	15-20	15-20	26	48	165-170	185-190
<b>Deborah Lamb OBE</b> Director of Engagement	105-110	100-105	-	-	9	20	110-115	120-125
<b>Sarah Aston<sup>3</sup></b> Former Director of HR	-	50-55	-	0-5	-	21	-	75-80
<b>Roger Bowdler<sup>4</sup></b> Former Director of Listing	25-30	75-80	-	0-5	12	30	35-40	110-115
<b>Gillian Grayson<sup>5</sup></b> Interim Director of Listing	35-40	-	-	-	18	-	55-60	-
<b>Michael Harlow<sup>6</sup></b> Former Corporate Secretary	65-70	85-90	0-5	0-5	22	31	90-95	120-125
<b>Meryl Hayward</b> Director of Finance, HR and IMT	95-100	85-90	5-10	5-10	47	32	145-150	125-130
<b>Ian Morrison<sup>7</sup></b> Director of Planning	65-70	-	-	-	26	-	90-95	-
<b>Carol Pyrah</b> Assistant Director of Planning	70-75	70-75	0-5	0-5	30	8	100-105	80-85
<b>Celia Richardson</b> Director of Communications	85-90	75-80	5-10	5-10	34	31	125-130	115-120
<b>Dermot Sloane<sup>8</sup></b> Interim Director of Research	5-10	-	-	-	8	-	15-20	-
<b>Chris Smith<sup>9</sup></b> Former Director of Planning	20-25	80-85	-	-	8	17	25-30	95-100
<b>Stephen Trow<sup>10</sup></b> Former Director of Research	85-90	75-80	-	0-5	80	14	165-170	90-95

### Notes

- 1 Performance awards stated relate to work performed in the year ended 31 March 2017, but which became payable in the year ended 31 March 2018.
- 2 The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. This figure is provided by MyCSP, the pension scheme administrator.
- 3 Director of Human Resources from 15 September to 20 November 2016. Agreed costs upon termination of employment amounted to £82,000. These included £2,000 of outplacement costs which were paid in the year ended 31 March 2017 and £21,000 of compensation paid in lieu of notice which was paid in the year ended 31 March 2018.
- 4 Director of Listing until 31 March 2018. On the Executive Team until 31 July 2017.
- 5 Interim Director of Listing from 5 March 2018.
- 6 Corporate Secretary from 26 February 2016 to 4 January 2018.
- 7 Director of Planning from 12 July 2017.
- 8 Interim Director of Research from 26 February 2018.
- 9 Director of Planning until 18 May 2017.
- 10 Director of Research until 31 March 2018.



## Pension Benefits for Executive Team

	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	
					2018	2017		2018
					£'000	£'000		£'000
<b>Duncan Wilson OBE</b> Chief Executive	65-70	–	0-2.5	–	1058	974	20	
<b>Deborah Lamb OBE</b> Director of Engagement	55-60	–	0-2.5	–	1035	961	7	
<b>Roger Bowdler<sup>3</sup></b> Former Director of Listing	25-30	75-80	0-2.5	0-2.5	582	552	7	
<b>Gillian Grayson<sup>4</sup></b> Interim Director of Listing	15-20	50-55	0-2.5	0-2.5	353	324	11	
<b>Michael Harlow<sup>5</sup></b> Former Corporate Secretary	15-20	–	0-2.5	–	252	235	8	
<b>Meryl Hayward</b> Director of Finance, HR and IMT	20-25	60-65	0-2.5	5-7.5	426	356	42	
<b>Ian Morrison<sup>6</sup></b> Director of Planning	0-5	–	0-2.5	–	17	–	12	
<b>Carol Pyrah</b> Assistant Director of Planning	20-25	45-50	0-2.5	0-2.5	322	287	13	
<b>Celia Richardson</b> Director of Communications	5-10	–	0-2.5	–	59	38	13	
<b>Dermot Sloane<sup>7</sup></b> Interim Director of Research	25-30	–	0-2.5	–	460	451	7	
<b>Chris Smith<sup>8</sup></b> Former Director of Planning	30-35	25-30	0-2.5	0-2.5	548	536	6	
<b>Stephen Trow<sup>9</sup></b> Former Director of Research	35-40	45-50	2.5-5	2.5-5	847	716	80	

### Notes

All figures are provided by MyCSP, the pension scheme administrator. 2017 CETV figures have been restated due to revised information being received from MyCSP.

- 1 Balances as at 31 March 2018.
- 2 Cash Equivalent Transfer Value. Figure stated is the latest of 31 March or date of joining the Executive Team.
- 3 Director of Listing until 31 March 2018. On the Executive Team until 31 July 2017.
- 4 Interim Director of Listing from 5 March 2018.
- 5 Corporate Secretary from 26 February 2016 to 4 January 2018.
- 6 Director of Planning from 12 July 2017.
- 7 Interim Director of Research from 26 February 2018.
- 8 Director of Planning until 18 May 2017.
- 9 Director of Research until 31 March 2018.

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

### Cash Equivalent Transfer Value

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

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

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

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

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

### Real Increase in the Value of the CETV

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

### Emoluments

The following information has been subject to audit. Emoluments include gross salary, performance related awards and any other allowance to the extent that they are subject to UK taxation. This report is based on payments made by Historic England and thus recorded in these accounts. No benefits-in-kind were paid during the year (2016-17: nil).

The Chief Executive was the highest paid employee. His total emoluments for the year of £140,000 comprise basic salary of £122,500 and a performance related award of £17,500.

Members of the Executive Team were eligible for a performance related award.

### Pay Multiples

The following information has been subject to audit. The banded remuneration of the highest-paid director in Historic England in the financial year 2017-18 was £135,000-£140,000 (2016-17: £135,000-£140,000). This was 3.99 times (2016-17: 3.98) the median remuneration of the workforce, which was £34,464 (2016-17: £33,900).

The increase is due to a slight rise in the basic salary of the highest paid director.

In 2017-18, no employees received remuneration in excess of the highest paid director (2016-17: nil).

Remuneration ranged from £15,000 to £140,000 (2016-17: £15,000-£137,000).

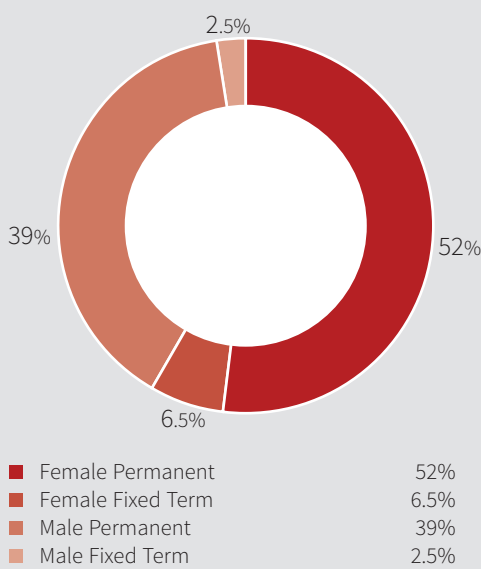
Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Staff Report

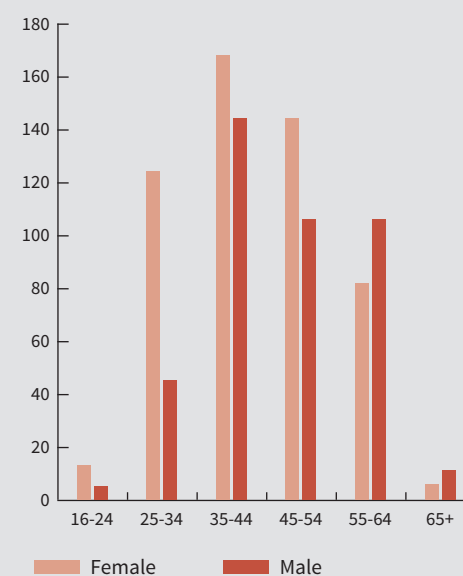
### Organisational Headcount

The current employee headcount stands at 918 employees (2016-17: 933). Fixed term contracts account for 6.7% (2016-17: 9.5%) of the general population with the remaining 93.3% employed on a permanent basis. The gender split of the organisation remains more strongly represented by females at 59%. Our Executive Team is made up of 5 women and 4 men.

### Demographic Profile



### Age



Headcount and demographic data produced 31 March 2018.

## Equality and Diversity

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

- **Ethnicity** – BAME (Black, Asian and Minority Ethnic) employees remain particularly under-represented at Historic England at 4.3% of the population (39 employees). The under-representation is particularly acute in our heritage specialist roles and we have published an action plan to address this and other areas of under-representation.
- **Age** – Employees under the age of 25 are significantly under-represented at 1.9% of the population.
- **Gender** – The gender balance at Director and senior management level has significantly improved over the last year, with women now equally represented. Further work is still needed to improve the representation of men in support and administrative roles.
- **Sexual Orientation** – We have improved the percentage of workforce who have confidentially disclosed their sexual orientation this year from 54% to 73%. This helps us to measure equality more accurately. Of those disclosing their sexual orientation, 5.3% (36 employees) have identified as Lesbian/Gay/Bisexual/Other (2016-17: 6%, 29 employees).
- **Disability** – 4% of the population (36 employees) have declared a disability (2016-17: 2.8%, 25 employees). Although this is an improvement on last year, we believe that there is under-reporting in disability status and are encouraging more people to disclose this to help us to measure equality and our performance.

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

## Health and Safety

In 2017-18 there were 25 work-related accidents (2016-17: 15), none of which were reportable to the Health and Safety Executive (HSE) (2016-17: none). The increase is a result of improved reporting. We have a current health and safety policy and risk register. The effectiveness of all of our operational risk management policies and practices is reviewed regularly.

## Disability

Historic England aims to increase participation by disabled people. Full and fair consideration is given to applications for employment from disabled people where they have appropriate skills to perform the job. We participate in the Disability Confident scheme. If an employee develops a disability during their employment then we make extensive efforts to maintain employment, training and career development. We operate a Disability & Employment 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 was 5.77 for the financial year 2017-18, (2016-17: 4.56). The increase is likely to be a result of improvements in the reporting process. The Chartered Institute of Personnel and Development's Annual Absence Management Survey (2016) reports the public sector average as 8.5 days and the private sector average as 5.2 days.

## Career Management and Training

Historic England recognises the importance of developing our staff to enable us to deliver our plan, fulfil our mission and to ensure that staff are productive and happy. The training we offer includes general skills courses such as effective writing, efficient use of email and stress management. We also offer five levels of leadership and management training including coaching and mentoring, and an Institute of Leadership and Management endorsed nine-month programme. We have also launched a new online learning system, Fuse, which offers online learning on a range of topics from heritage crime to mindfulness.

## Mental Health and Wellbeing

Our work to improve the mental health and wellbeing of our staff has been recognised with a Gold Award from the Mind Workplace Wellbeing Index. As part of our ongoing action plan, during 2017-18 we carried out various awareness-raising activities, including mental health and wellbeing sessions at our all-staff conference and staff training. We also have 20 members of staff who are now trained as mental health 'first-aiders'.

## Union Relationship

We have a constructive and long standing working relationship with the Prospect trade union. There were 38 employees who were relevant union representatives during 2017-18 (FTE equivalent of 34.2).

Percentage of Time Spent on Facility Time	Number of Employees
0%	28
1-50%	10
51%-99%	0
100%	0

### Percentage of Pay Bill Spent on Facility Time

Total Cost of Facility Time	£15,385
Total Pay Bill	£40,179,000
Percentage of the Total Pay Bill Spent on Facility Time	0.04%

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

## Employee Numbers

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

	Permanently Employed	Fixed Term Contracts	Total 2017-2018	Total 2016-2017
Research	127	5	132	139
Listing	84	4	88	86
Planning	276	16	292	316
Engagement	89	16	105	103
Communications	27	4	31	30
Corporate and Support Services	143	11	154	186
<b>Total Employee Numbers</b>	<b>746</b>	<b>56</b>	<b>802</b>	<b>860</b>
<b>Total Costs (£'000's)</b>	<b>38,592</b>	<b>2,904</b>	<b>41,496</b>	<b>41,172</b>

Included within the above numbers are seven staff who have been engaged on capital projects (2016-17: four) the costs of which have been capitalised.

Employee numbers include ten agency staff (2016-17: eight), including one who has been engaged on capital projects (2016-17: one).

The total number of persons employed by The English Heritage Trust was 1,042 (2016-17: 1,109), giving a comparable total employee number for the Group of 1,844 (2016-17: 1,969).

Average full-time equivalent staff numbers have reduced in the year due to a voluntary exit scheme and planned restructures during the year.

Staff costs have risen, relative to the change in staff numbers, due to higher external baseline salary costs, the introduction of the new apprenticeship levy scheme, an increase in the number of statutory maternity payments in the year, along with a number of employees transferred in under TUPE arrangements.

## Employee Costs

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

	Historic England 2017-2018 £'000	Group 2017-2018 £'000	Historic England 2016-2017 £'000	Group 2016-2017 £'000
Wages and Salaries	30,888	63,214	30,569	60,464
Social Security Costs	3,223	5,863	3,027	5,290
Pension Costs	6,278	10,275	6,217	10,425
Redundancy and Severance Costs	611	2,736	963	988
Agency Staff Costs	496	1,348	396	1,348
<b>Sub Total</b>	<b>41,496</b>	<b>83,436</b>	<b>41,172</b>	<b>78,515</b>
Less Recoveries in Respect of Outward Secondments	(128)	(128)	(292)	(292)
<b>Total Employee Costs</b>	<b>41,368</b>	<b>83,308</b>	<b>40,880</b>	<b>78,223</b>

Included within the above costs for Historic England are £550,000 wages and salaries costs (2016-17: £267,000), £54,000 social security costs (2016-17: £25,000) and £113,000 pension costs (2016-17: £54,000) that have been capitalised within Non-Current Assets (notes 18, 19 and 20). There are nil redundancy and severance costs (2016-17: nil) and £101,000 agency staff costs (2016-17: £43,000) that have been capitalised.

Included within the above costs for the Historic England Group are £1,455,000 wages and salaries costs (2016-17: £922,000), £139,000 social security costs (2016-17: £86,000) and £208,000 pension costs (2016-17: £124,000) that have been capitalised within Non-Current Assets. There are nil redundancy and severance costs (2016-17: nil) and £276,000 agency staff costs (2016-17: £101,000) that have been capitalised in the Group.

During the year, 74 consultants were employed (2016-17: 103) to whom £165,841 was paid in the year (2016-17: £77,627).

## 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 2017-18 Historic England had no 'off-payroll' engagements that fall within the criteria set out in the Alexander Review of 2012, with regards to tax arrangements of senior public appointees.

Historic England is in compliance with the recommendations in HM Treasury's *Review of the Tax Findings of Public Sector Appointees*.

## Reporting of Civil Service and Other Compensation Schemes – Exit Packages

Total staff exit packages are detailed as follows and are subject to audit:

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Agreed Departures		Total Number of Exit Packages	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Less than £10,000	-	-	5	1	5	1
£10,000 to £25,000	1	1	2	9	3	10
£25,000 to £50,000	-	-	3	7	3	7
£50,000 to £100,000	-	-	3	5	3	5
£100,000 to £150,000	-	-	-	-	-	-
Greater than £150,000	-	-	-	-	-	-
<b>Total Number of Exit Packages</b>	<b>1</b>	<b>1</b>	<b>13</b>	<b>22</b>	<b>14</b>	<b>23</b>
<b>Total Resource Cost (£'000)</b>	<b>20</b>	<b>13</b>	<b>432</b>	<b>807</b>	<b>452</b>	<b>820</b>

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. The scheme is a multi-employer defined benefit scheme in which Historic England is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found

in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk/about-us/resource-accounts/](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/)).

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

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

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

For 2017-18, employers' contributions of £6,150,000 were payable to the PCSPS (2016-17: £6,082,000) at one of four rates in the range 4.6 to 8.05 per cent (2016-17: 3.0 to 8.05 per cent) of pensionable pay, based on salary bands.

Employer's contributions into the PCSPS in respect of the Executive Team totalled £193,000 (2016-17: £211,000).

No persons (2016-17: no persons) retired early on ill-health grounds.

The partnership pension account is a stakeholder pension arrangement. The employer contributions are age-related and range between 8% and 14.75% (2016-17: 8% and 14.75%) of pensionable pay, paid into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

Employers' contributions of £79,000 (2016-17: £85,000) were paid to one or more of a panel of appointed stakeholder pension providers for the partnership pension.

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

# Accountability Report

## Parliamentary Accountability

### Regularity of Expenditure

The Accounting Officer confirms the regularity of all expenditure incurred through his statement on page 21.

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

	2018 Historic England			2018 Group			2017 Historic England			2017 Group		
	Losses £'000	Special payments £'000	Total £'000	Losses £'000	Special payments £'000	Total £'000	Losses £'000	Special payments £'000	Total £'000	Losses £'000	Special payments £'000	Total £'000
Amounts accrued	23	23	46	388	45	433	16	46	62	195	96	291
Amounts written back	-	(1)	(1)	-	(1)	(1)	-	(2)	(2)	(43)	(4)	(47)
<b>Total Net Losses and Special Payments</b>	<b>23</b>	<b>22</b>	<b>45</b>	<b>388</b>	<b>44</b>	<b>432</b>	<b>16</b>	<b>44</b>	<b>60</b>	<b>152</b>	<b>92</b>	<b>244</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

£494,000 has been raised in the year as a result of the Enhanced Advisory Service (2016-17: £306,000).

The target for the year was £460,000 (2016-17: £480,000). Our average case price remains lower than anticipated, with the average Listing case costing £1,424 per case and pre-application advice £1,505 per case, but growth in demand has exceeded expectations.

The reduction to free pre-application advice which was implemented in July 2017 has resulted in nearly 4% of such cases reaching chargeable hours, up from c.2% previously.

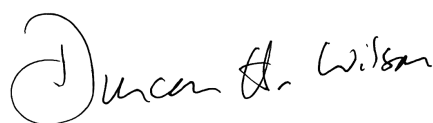
Income is invoiced at full cost recovery according to *Managing Public Money* guidelines. Therefore the income received is equivalent to the costs incurred and thus no subsidies or overcharging occurs.

Unit costs charged are per the invoice amount. Income raised this year relates to 92 completed (invoiced) cases (2016-17: 92).

No other material income from fees and charges was received during the financial year (2016-17: £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. There is nothing to report in this regard for either 2017-18 or 2016-17. This information has been subject to audit.



**Duncan Wilson**  
Chief Executive and Accounting Officer  
21 June 2018

# Accountability Report

## The Certificate and Report of the Comptroller and 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 (HBMCE) for the year ended 31 March 2018 under the National Heritage Act 1983. The financial statements comprise: the group and Historic England Statements of Comprehensive Net Expenditure; the group and Historic England Statements of Financial Position; the group and Historic England Statements of Cash Flows; the consolidated and Historic England Statements of Changes in Taxpayers' Equity and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of HBMCE's affairs as at 31 March 2018 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions issued thereunder.

### Opinion on Regularity

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

### Basis of Opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's

Revised Ethical Standard 2016. I am independent of HBMCE in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### 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 Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland).

### 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 International Standards on Auditing (UK and Ireland).

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

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



- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Historic England's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and Historic England's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

## Other Information

The Commissioners and the Accounting Officer are responsible for the other information. The other information comprises information included in the Annual Report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on Other Matters

In my opinion:

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

## Matters on Which I Report by Exception

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

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

# Report

I have no observations to make on these financial statements.

**Sir Amyas C E Morse**

Comptroller and Auditor General

6 July 2018

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

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SECTION 3

# Financial Statements

## SECTION 3

# Financial Statements

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Note	2017-2018		2016-2017	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Income</b>					
Earned Income	2	1,665	95,109	1,263	85,223
Other Operating Income	3	15,052	11,996	12,469	5,441
Investment Income	4	-	89	-	48
<b>Total Income</b>		<b>16,717</b>	<b>107,194</b>	<b>13,732</b>	<b>90,712</b>
<b>Expenditure</b>					
Grants	5	20,133	20,131	19,893	20,115
Research Group	6	8,381	8,381	8,599	8,599
Listing Group	7	4,112	4,112	4,030	4,030
Planning Group	8	17,019	17,019	17,306	17,306
Engagement Group	9	6,736	6,724	6,423	6,423
Communications Group	10	2,743	2,743	2,378	2,378
Corporate and Support Services	11	23,948	23,948	24,863	24,863
Shrewsbury Flaxmill Maltings	12	5,140	5,140	1,535	1,535
Depreciation, Amortisation and Impairment		5,991	7,688	6,909	8,091
(Gain)/Loss on Disposal of Non-Current Assets		51	44	(16)	(19)
English Heritage Trust	13	-	102,126	-	96,592
Subsidy Expenditure	13	14,693	-	14,669	-
<b>Total Expenditure</b>		<b>108,947</b>	<b>198,056</b>	<b>106,589</b>	<b>189,913</b>
<b>Net Expenditure for the Financial Year Before Transfers</b>		<b>(92,230)</b>	<b>(90,862)</b>	<b>(92,857)</b>	<b>(99,201)</b>
Profit/Loss on Net Assets Transferred by Absorption	14	-	-	1	-
<b>Net Expenditure for the Financial Year</b>		<b>(92,230)</b>	<b>(90,862)</b>	<b>(92,856)</b>	<b>(99,201)</b>
<b>Other Comprehensive Expenditure</b>					
Net Expenditure for the Year		(92,230)	(90,862)	(92,856)	(99,201)
Net Gain/(Loss) on Revaluation of Non-Current Assets		15,608	16,220	18,834	19,003
<b>Total Comprehensive Expenditure for the Financial Year</b>		<b>(76,622)</b>	<b>(74,642)</b>	<b>(74,022)</b>	<b>(80,198)</b>

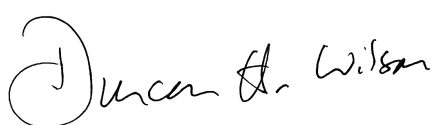
Income and expenditure relates to continuing activities. The notes on pages 45 to 71 form part of the financial statements.

## Statement of Financial Position as at 31 March 2018

	Note	2018		2017	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Non-Current Assets</b>					
Intangible Assets	19	1,729	3,055	1,873	3,030
Property, Plant and Equipment	20	98,169	118,363	95,115	108,051
Heritage Assets	21	55,317	55,648	46,673	46,754
Investments	38	68,113	–	66,246	–
<b>Total Non-Current Assets</b>		<b>223,328</b>	<b>177,066</b>	<b>209,907</b>	<b>157,835</b>
<b>Current Assets</b>					
Investments	24	–	2,773	–	1,240
Inventories	25	167	7,617	169	6,585
Trade and Other Receivables	26	5,389	8,402	5,361	11,528
Assets Held For Sale	27	40	40	40	40
Cash and Cash Equivalents	28	1,187	65,782	65	67,033
<b>Total Current Assets</b>		<b>6,783</b>	<b>84,614</b>	<b>5,635</b>	<b>86,426</b>
<b>Total Assets</b>		<b>230,111</b>	<b>261,680</b>	<b>215,542</b>	<b>244,261</b>
<b>Current Liabilities</b>					
Trade and Other Payables	32	14,966	45,770	14,616	42,702
Provisions	34	52	96	102	112
Obligations Under Finance Leases	31	566	566	566	566
<b>Total Current Liabilities</b>		<b>15,584</b>	<b>46,432</b>	<b>15,284</b>	<b>43,380</b>
<b>Total Assets Less Current Liabilities</b>		<b>214,527</b>	<b>215,248</b>	<b>200,258</b>	<b>200,881</b>
<b>Non-Current Liabilities</b>					
Trade and Other Payables	33	226	2,179	246	2,109
Provisions	34	19	19	71	71
Obligations Under Finance Leases	31	6,755	6,755	6,781	6,781
<b>Total Non-Current Liabilities</b>		<b>7,000</b>	<b>8,953</b>	<b>7,098</b>	<b>8,961</b>
<b>Total Assets Less Liabilities</b>		<b>207,527</b>	<b>206,295</b>	<b>193,160</b>	<b>191,920</b>
<b>Taxpayers' Equity</b>					
Financial Asset Reserve	38	68,113	–	66,246	–
Revaluation Reserve		86,848	87,698	66,145	66,383
General Reserve		52,428	118,367	60,743	125,511
Restricted Funds		138	138	26	26
Endowment Funds		–	92	–	–
<b>Total Taxpayers' Equity</b>		<b>207,527</b>	<b>206,295</b>	<b>193,160</b>	<b>191,920</b>

The notes on pages 45 to 71 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 39, were approved by the Commissioners and signed on their behalf on 21 June 2018 by:



Duncan Wilson  
Chief Executive



Sir Laurie Magnus  
Chairman

## Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018		2017	
		Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Cash Flows From Operating Activities</b>					
Net Income/(Expenditure) Before Transfers		(92,230)	(90,862)	(92,857)	(99,201)
<i>Less Non-cash Items</i>					
Depreciation, Amortisation and Impairment Charges	19, 20, 21	5,991	7,688	6,909	8,091
(Profit)/Losses on Disposal of Non-Current Assets	19, 20, 21	51	44	(16)	(19)
(Increase)/Decrease in Inventories	25	2	(1,032)	47	147
(Increase)/Decrease in Trade and Other Receivables	26	(28)	3,126	(1,000)	(2,011)
Increase/(Decrease) in Trade and Other Payables	32, 33	330	3,044	123	727
Increase/(Decrease) in Provisions	34	(102)	(68)	(181)	(183)
Donated Asset Addition	21	(42)	(292)	-	-
<i>Less Investing &amp; Financing Activities</i>					
Investment Income	4	-	(89)	-	(48)
Finance Lease Payable	31	(26)	(26)	(25)	(25)
<b>Net Cash Outflow from Operating Activities</b>		<b>(86,054)</b>	<b>(78,467)</b>	<b>(87,000)</b>	<b>(92,522)</b>
<b>Cash Flows from Investing Activities</b>					
Interest Received	4	-	89	-	48
Purchase of Investments	24	-	(1,533)	-	(23)
Purchase of Property, Plant and Equipment and Heritage Assets	20, 21	(1,468)	(9,559)	(905)	(7,734)
Purchase of Intangible Assets	19	(500)	(937)	(669)	(836)
Proceeds on Disposal of Property, Plant and Equipment and Intangible Assets	19, 20	22	34	72	75
<b>Net Cash Outflow from Investing Activities</b>		<b>(1,946)</b>	<b>(11,906)</b>	<b>(1,502)</b>	<b>(8,470)</b>
<b>Cash Flows from Financing Activities</b>					
Government Grant In Aid		89,122	89,122	87,806	87,806
<b>Net Cash Inflow from Financing Activities</b>		<b>89,122</b>	<b>89,122</b>	<b>87,806</b>	<b>87,806</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	28	<b>1,122</b>	<b>(1,251)</b>	<b>(696)</b>	<b>(13,186)</b>
Cash and Cash Equivalents at the Beginning of the Year	28	65	67,033	761	80,219
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>1,187</b>	<b>65,782</b>	<b>65</b>	<b>67,033</b>

The notes on pages 45 to 71 form part of the financial statements.

## Consolidated Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2018

	General Fund £'000	Revaluation Reserve £'000	Restricted Funds £'000	Endowment Fund £'000	Total Reserves £'000
<b>Balance at 1 April 2017</b>	136,764	47,485	–	–	184,249
<b>Changes in Taxpayers' Equity for 2016-17</b>				–	
Transfers In				–	
Net Gain on Revaluation of Non-Current Assets	–	19,003	–	–	19,003
Income/(Expenditure) for the Year	(99,201)	–	–	–	(99,201)
Transfer Between Reserves	96	(122)	26	–	–
<b>Total Recognised Income and Expense for 2016-17</b>	<b>(99,105)</b>	<b>18,881</b>	<b>26</b>	<b>–</b>	<b>(80,198)</b>
Grant in Aid Received	87,806	–	–	–	87,806
Other Income/(Expenditure)	46	17	–	–	63
<b>Balance at 31 March 2017</b>	<b>125,511</b>	<b>66,383</b>	<b>26</b>	<b>–</b>	<b>191,920</b>
<b>Changes in Taxpayers' Equity for 2017-18</b>					
Transfers In					
Net Gain on Revaluation of Non-Current Assets	–	16,220	–	–	16,220
Income/(Expenditure) for the Year	(91,066)	–	112	92	(90,862)
Transfer Between Reserves	(5,062)	5,062	–	–	–
<b>Total Recognised Income and Expense for 2017-18</b>	<b>(96,128)</b>	<b>21,282</b>	<b>112</b>	<b>92</b>	<b>(74,642)</b>
Grant in Aid Received	89,122	–	–	–	89,122
Other Income/(Expenditure)	(138)	33	–	–	(105)
<b>Balance at 31 March 2018</b>	<b>118,367</b>	<b>87,698</b>	<b>138</b>	<b>92</b>	<b>206,295</b>

The notes on pages 45 to 71 form part of the financial statements.

## Historic England Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2018

	General Fund £'000	Revaluation Reserve £'000	Restricted Funds £'000	Financial Asset Reserve £'000	Total Reserves £'000
<b>Balance at 1 April 2016</b>	65,745	47,367	–	72,307	185,419
<b>Changes in Taxpayers' Equity for 2016-17</b>					
Transfers In					
Net Gain on Revaluation of Non-Current Assets	–	18,834	–	–	18,834
Income/(Expenditure) for the Year	(92,856)	–	–	–	(92,856)
Transfer Between Reserves	47	(73)	26	–	–
<b>Total Recognised Income and Expense for 2016-17</b>	<b>(92,809)</b>	<b>18,761</b>	<b>26</b>	<b>–</b>	<b>(74,022)</b>
Grant in Aid Received	87,806	–	–	–	87,806
Other Income/(Expenditure)	1	17	–	(6,061)	(6,043)
<b>Balance at 31 March 2017</b>	<b>60,743</b>	<b>66,145</b>	<b>26</b>	<b>66,246</b>	<b>193,160</b>
<b>Changes in Taxpayers' Equity for 2017-18</b>					
Transfers In					
Net Gain on Revaluation of Non-Current Assets	–	15,608	–	–	15,608
Income/Expenditure for the Year	(92,342)	–	112	–	(92,230)
Transfer Between Reserves	(5,095)	5,095	–	–	–
<b>Total Recognised Income and Expense for 2017-18</b>	<b>(97,437)</b>	<b>20,703</b>	<b>112</b>	<b>–</b>	<b>(76,622)</b>
Grant in Aid Received	89,122	–	–	–	89,122
Other Income/(Expenditure)	–	–	–	1,867	1,867
<b>Balance at 31 March 2018</b>	<b>52,428</b>	<b>86,848</b>	<b>138</b>	<b>68,113</b>	<b>207,527</b>

The notes on pages 45 to 71 form part of the financial statements.





SECTION 4

# Notes to the Financial Statements

# Notes to the Financial Statements

## 1 Statement of Accounting Policies

### a) Accounting Convention

The financial statements have been prepared in accordance with the 2017-2018 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS), as adapted and interpreted for the public sector context.

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

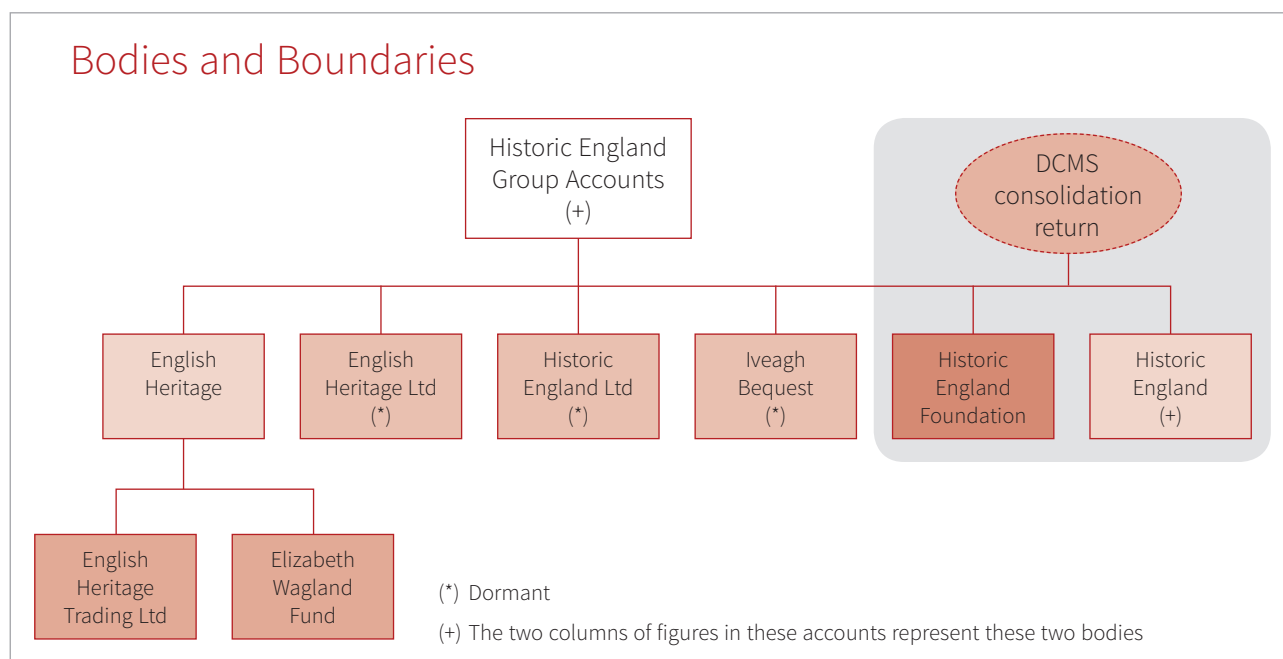
The financial statements have been prepared under the historical cost convention, modified for the revaluation of property, plant and machinery, IT equipment, furniture and fittings, intangible assets, heritage assets and inventories where material.

The Historic Buildings and Monuments Commission for England (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 2018.

The Historic England Foundation was incorporated on 16 January 2017 and is a subsidiary company (limited by guarantee) of Historic England. Historic England Limited and English Heritage Limited are dormant subsidiaries of Historic England.

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

### Bodies and Boundaries



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

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IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities and some contracts to buy or sell non-financial items.

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.

Historic England has not applied these standards early, has considered whether there would be a material impact upon application and has determined that there will be no material impact.

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

**d) Membership Income**

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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.

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

**e) Admission, Retail and Other Earned Income**

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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.

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

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

**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 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 brand is charged to the Statement of Comprehensive Net Expenditure as it is incurred.

**j) Property, Plant and Equipment**

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*Operational Land & Buildings and Dwellings*

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

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

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

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

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

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

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

Assets with a value of less than £50,000 are revalued with reference to relevant indices published by the Building Cost Information Service as at 31 March. A full quinquennial revaluation was undertaken as at 31 March 2016 by the following professionally qualified external valuers: Bilfinger GVA, Turner & Holman, RNJ Partnership, Mildred Howells, Bare Leaning and Bare, and Press & Starkey. All valuations have been performed in accordance with Royal Institute of Chartered Surveyors 'Red Book principles'.

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

Where possible, assets are valued at fair value.

Where there is no available market information due to the specialised nature of the asset, depreciated replacement cost valuation is used.

Subsequent expenditure of more than £5,000 is recorded on the Statement of Financial Position if the expenditure enhances the economic benefits of the asset.

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.

Subsequent expenditure of more than £5,000 is recorded on the Statement of Financial Position if the expenditure enhances the economic benefits of the asset.

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

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

#### *Assets Under Construction*

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

### **k) Heritage Assets**

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

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

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

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

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

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

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

#### *Heritage Artefacts and Archives*

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

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

Further information on the acquisition, disposal, management and preservation of Historic England's heritage assets is given in notes 21 to 23.

#### **l) Donated Assets**

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

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

#### **m) Depreciation and Amortisation**

Depreciation is provided on property, plant and equipment (note 20) (excluding land and assets under construction), and amortisation is provided on intangible assets (note 19), in equal amounts each year in order to write down their cost to their estimated residual value over their anticipated useful economic lives. These are as follows:

##### *Intangible Assets*

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

##### *Property, Plant and Equipment*

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

##### *Refurbishments*

– Shop/café/holiday cottage refurbishment, infrastructure	10-20 years
– Exhibitions and interpretations	5-20 years

Plant and machinery	5-25 years
IT, furniture and fittings	4-20 years

Assets held under finance leases are depreciated over the term of the relevant lease.

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

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

#### **n) Financial Assets**

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

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

#### **o) Non-Current Assets Held for Sale**

The value of non-current assets held for sale is measured at the lower of their carrying amount and fair value less costs to sell. Assets classified as held for sale are not depreciated. In order to be classified as held for sale, a non-current asset must meet the criteria specified within IFRS 5.

**p) Inventories**

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

**q) Leases**

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*Finance Leases*

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

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

*Operating Leases*

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

**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) 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.

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 underwent automatic enrolment on 1 April 2016.

Historic England also operates a by-analogy scheme to the PCSPS for the previous Chairmen. Both schemes satisfy the requirements of applicable accounting standards (see Remuneration and Staff Report on page 26).

**t) Restricted Funds**

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Funds held by Historic England or English Heritage that can only be applied for particular purposes imposed by donors are held as restricted funds. Investments to cover the amounts held in restricted funds are placed on deposit at fixed rates of interest for periods of up to one year in accordance with English Heritage's treasury policy and are treated as Cash and Cash Equivalents or Current Financial Assets in line with the accounting policies noted in notes 1n and 1r.

Any transfers between the Restricted Funds and the General Fund are recognised in the Statement of Comprehensive Expenditure as they are incurred. Any transfer of revenue to support capital programmes is recognised in the Statement of Comprehensive Expenditure as it is incurred.

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

In English Heritage, Restricted Funds are accounted for in line with SORP 2015 but are treated as part of the Financial Asset Reserve in the Group. Any Historic England Restricted Funds are accounted for in line with SORP 2015 and disclosed as such in the Statement of Financial Position.

**u) Segmental Reporting**

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

The segments reported reflect the management structure reported internally within Historic England on a monthly basis, and have been amended during the 2017-18 financial year so as to better reflect the organisational structure.

Research Group works to improve care, understanding and public enjoyment of the historic environment, undertaking and sponsoring authoritative research and providing high quality expert advice and training. Listing Group is responsible for identifying

the most important aspects of England's tangible heritage, communicating their significance and makes recommendations to Government on whether assets should be added to the National Heritage List for England. Planning Group provides leadership, expertise and funding to care for England's heritage and to promote its value to society. Engagement Group encourage others to value England's historic environment and is responsible for advising government and other bodies. Communications Group promotes the policies, work and people of Historic England. Corporate and Support Services provide a range of services to the organisation including finance, human resources, information systems and procurement. 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. As this project is now material to Historic England, the expenditure associated with it is reflected in a new note (note 12). Prior year expenditure in note 8 has been restated to reflect this change in presentation.

#### v) **Provisions**

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Provisions are made where the conditions for such a liability exist at the Statement of Financial Position date which can be reliably estimated.

Balances that are not payable within one year are discounted to reflect future cash flows in current year prices where the time value of money is material. The discount rate is set by HM Treasury and is currently 0.1% for pension provisions.

#### w) **Significant Accounting Estimates and Judgements**

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Key sources of estimation, uncertainty and judgements made in applying accounting policy 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.

#### x) **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 on page 21. The Commissioners have reviewed the latest financial forecasts and are satisfied that Historic England continues to adopt the going concern basis in preparing its financial statements.

## 2 Earned Income

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Admission Income	–	30,275	–	25,939
Commercial Sales Income	267	23,855	156	21,220
Membership Income	32	33,831	91	31,156
Other Earned Income	1,366	7,148	1,016	6,908
<b>Total Earned Income</b>	<b>1,665</b>	<b>95,109</b>	<b>1,263</b>	<b>85,223</b>

## 3 Other Operating Income

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Grants Receivable</b>				
European Union	–	2	127	127
Heritage Lottery Fund	3,235	3,943	5	781
Other	14	1,511	77	626
<b>Total Grants Receivable</b>	<b>3,249</b>	<b>5,456</b>	<b>209</b>	<b>1,534</b>
Transfer (to)/from Capital Reserves	42	89	–	–
<b>Total Grants</b>	<b>3,291</b>	<b>5,545</b>	<b>209</b>	<b>1,534</b>
Donations and Sponsorships	253	5,704	51	2,379
Shared Service Income	11,504	728	11,811	646
Other Operating Income	4	19	398	882
<b>Total Other Operating Income</b>	<b>15,052</b>	<b>11,996</b>	<b>12,469</b>	<b>5,441</b>

## 4 Investment Income

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Interest Receivable	–	89	–	48
<b>Total Investment Income</b>	<b>–</b>	<b>89</b>	<b>–</b>	<b>48</b>

Notes 5 to 12 show organisational expenditure split in line with the internal segments reported within Historic England.

## 5 Grants

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Buildings and Monuments	10,079	10,079	10,208	10,165
Conservation Areas	410	410	226	226
Historic Environment	4,434	4,434	4,860	4,861
Other	5,210	5,208	4,599	4,863
<b>Total Grants Payable</b>	<b>20,133</b>	<b>20,131</b>	<b>19,893</b>	<b>20,115</b>



## 6 Research Group

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Investigation and Analysis	5,742	5,742	5,734	5,734
Strategic Planning and Management	2,639	2,639	2,865	2,865
<b>Total Research Group</b>	<b>8,381</b>	<b>8,381</b>	<b>8,599</b>	<b>8,599</b>

## 7 Listing Group

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Listing	2,924	2,924	2,850	2,850
Listing Information Services	1,188	1,188	1,180	1,180
<b>Total Listing Group</b>	<b>4,112</b>	<b>4,112</b>	<b>4,030</b>	<b>4,030</b>

## 8 Planning Group

	2017-2018		2016-2017 <i>Restated</i>	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Conservation	2,763	2,763	2,687	2,687
Planning	14,256	14,256	14,619	14,619
<b>Total Planning Group</b>	<b>17,019</b>	<b>17,019</b>	<b>17,306</b>	<b>17,306</b>

2016-17 figures have been restated due to the Shrewsbury Flaxmill project now being a separate reporting group, reflected in note 12.

## 9 Engagement Group

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Archive	1,745	1,745	1,716	1,716
Government Advice	2,123	2,123	2,034	2,034
Governance and Legal	1,814	1,814	1,771	1,771
Other	1,054	1,042	902	902
<b>Total Engagement Group</b>	<b>6,736</b>	<b>6,724</b>	<b>6,423</b>	<b>6,423</b>

## 10 Communications Group

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Communications and Marketing	1,861	1,861	1,506	1,506
Digital	384	384	568	568
Internal Communications	278	278	174	174
Fundraising	220	220	130	130
<b>Total Communications Group</b>	<b>2,743</b>	<b>2,743</b>	<b>2,378</b>	<b>2,378</b>

## 11 Corporate and Support Services

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Finance	3,253	3,253	3,013	3,013
Information Systems	9,539	9,539	10,403	10,403
Human Resources	1,594	1,594	1,793	1,793
Office Costs	8,203	8,203	8,320	8,320
Other Corporate	1,359	1,359	1,334	1,334
<b>Total Corporate and Support Services</b>	<b>23,948</b>	<b>23,948</b>	<b>24,863</b>	<b>24,863</b>

## 12 Shrewsbury Flaxmill Maltings

	2017-2018		2016-2017 <i>Restated</i>	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Shrewsbury Flaxmill Maltings	5,140	5,140	1,535	1,535
<b>Total Shrewsbury Flaxmill Maltings</b>	<b>5,140</b>	<b>5,140</b>	<b>1,535</b>	<b>1,535</b>

2016-17 figures have been restated due to the Shrewsbury Flaxmill project now being a separate reporting group, previously reflected in note 8.

## 13 The English Heritage Trust

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
The English Heritage Trust	–	102,126	–	96,592
Subsidy and Service Level Agreement	14,693	–	14,669	–
<b>Total English Heritage Trust</b>	<b>14,693</b>	<b>102,126</b>	<b>14,669</b>	<b>96,592</b>

The English Heritage Trust expenditure represents the costs incurred by English Heritage which have been consolidated into the group accounts. The Subsidy and Service Level Agreement expenditure represents the costs incurred by Historic England in respect of payments made to English Heritage for these two purposes.

## 14 Exceptional Non-Operating Gain/(Loss)

On 1 April 2015, as part of the New Model arrangement with The English Heritage Trust, Historic England transferred operating assets and liabilities to the Trust to enable it to fulfil its charitable purposes. This transaction was completed via means of a 'Transfer by Absorption'. This is an accounting mechanism dictated by the Government Financial Reporting Manual (FRM), which Historic England is obliged to follow.

## 15 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 2018 (2017: 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.

English Heritage Trading Limited transferred all of its distributable profits for the year ended 31 March 2018 (2016-17: all) to English Heritage under the Gift Aid rules. Hence, it suffered nil taxation charge (2017: nil) as it had no taxable profits.

## 16 Auditor's Fees

	2017-2018 £'000	2016-2017 £'000
Auditor's remuneration and expenses for statutory audit work:		
Historic England	60	62
The English Heritage Trust	63	63
English Heritage Trading Limited	11	11
<b>Total Auditor's Fees</b>	<b>134</b>	<b>136</b>

During the year no member of the Historic England group purchased any non-audit services from its auditor, the National Audit Office (2016-17: nil).

## 17 Related Party Transactions and Connected Bodies

### Connected Bodies

Historic England is sponsored by the Department for Digital, Culture, Media and Sport (DCMS) which is regarded as a related party. There were material transactions with DCMS in respect of the receipt of Grant in Aid, staff secondments and finance shared service provision.

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

Arts Council England	Imperial War Museum
National Heritage Memorial Fund	VisitBritain

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

Cabinet Office	Department for Business, Energy and Industrial Strategy
Department for Environment, Food and Rural Affairs	Economic and Social Research Council
Forestry Commission	Highways England
High Speed Two (HS2) Limited	Museum of London
National Audit Office	Natural England

### Material Transactions with Related Party Interests

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

#### Commissioners

- Sir Laurie Magnus, Chair of Historic England, is a member of the Investment Panel of the National Heritage Memorial Fund which received £2,000 related to the places of worship grant scheme. He is also a Trustee of Allchurches Trust which owns 100% of Ecclesiastical Insurance Group which paid £138,000 in sponsorship.
- Ms Sally Balcombe is the Chief Executive of VisitBritain which was in receipt of payments of £12,000 for research services. Ms Balcombe is also a governor of the Museum of London, which received £55,000 in grant payments.
- Professor Mike Fulford is Vice President of The Society for the Promotion of Roman Studies which was in receipt of £14,000 of grant funding.
- Mr Michael Morrison is a Partner at Purcell which received £1,000 for a research article and paid £1,000 for archive services.
- Mr Charles O'Brien is a member of the advisory committee of the Victoria County History which paid £1,000 for reproduction fees.
- Ms Lynda Addison OBE (Commissioner until 19 October 2016) carries out fee paid work for Surrey County Council which received £14,000 of grant funding.
- Mr Paul Farmer (Commissioner from 1 January 2018) is the Chief Executive of Mind which received £11,000 for training and participation in Workplace Wellbeing. East Suffolk Mind received a £40,000 grant for the Church of St Mary at the Quay in Ipswich.
- Baroness Young of Hornsey OBE (Commissioner until 31 July 2017) is a Trustee of Somerset House which was paid £8,000 for room hire. She is also a patron of Autograph ABP which received £3,000 for publishing rights.

## Senior Staff

- Mrs Meryl Hayward, Director of Finance, HR & IMT, is a Non-Executive Audit Committee Member of the Economic & Social Research Council which received payments of £40,000 for programme contributions. She is also a member of the Governance, Responsibilities and Ownership sub-group of the audit committee of the Natural Environment Research Council which received payments of £2,000 for scientific work.
- Mr Ian Morrison, Director of Planning, is a member of the advisory panel for the Prince's Regeneration Trust which received £12,000 in capacity building grant funding. He was also Chief Executive of the Architectural Heritage Fund (until July 2017) which received £1,200,000 of grant funding.
- Ms Carol Pyrah, Assistant Director of Planning, became a trustee of the Churches Conservation Trust on 1 April 2018. The Churches Conservation Trust received £52,000 of funding through the Heritage Schools programme and paid £17,000 for room hire. They had an outstanding payment of £3,000 at the end of the financial year. Ms Pyrah's partner, Colin Dobinson, received £10,000 in grant funding.

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

The related party transactions and connected bodies for English Heritage and English Heritage Trading Limited are disclosed within the English Heritage Annual Report and Accounts.

## 18 Employees

### a) Employee Numbers

The average number of persons employed during the year expressed as full-time equivalents was:

	Historic England			Group	Historic England	Group
	2017-2018			2017-2018	2016-2017	2016-2017
	Permanently Employed	Fixed Term Contracts	Total	Total	Total	Total
The English Heritage Trust	-	-	-	1,042	-	1,109
Research	127	5	132	132	139	139
Listing	84	4	88	88	86	86
Planning	276	16	292	292	316	316
Engagement	89	16	105	105	103	103
Communications	27	4	31	31	30	30
Corporate and Support Services	143	11	154	154	186	186
<b>Total Employee Numbers</b>	<b>746</b>	<b>56</b>	<b>802</b>	<b>1,844</b>	<b>860</b>	<b>1,969</b>

Included within the above numbers are seven staff who have been engaged on capital projects (2016-17: four) the costs of which have been capitalised.

During the year, Historic England employed ten agency staff (2016-17: eight), including one who has been engaged on capital projects (2016-17: one).

### b) Employee Costs

	2017-2018		2016-2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Wages and Salaries	30,888	63,214	30,569	60,675
Social Security Costs	3,223	5,863	3,027	5,290
Pension Costs	6,278	10,275	6,217	10,425
Redundancy and Severance Costs	611	2,736	963	988
Agency Staff Costs	496	1,348	396	1,348
<b>Sub Total</b>	<b>41,496</b>	<b>83,436</b>	<b>41,172</b>	<b>78,726</b>
Less Recoveries in Respect of Outward Secondments	(128)	(128)	(292)	(292)
<b>Total Employee Costs</b>	<b>41,368</b>	<b>83,308</b>	<b>40,880</b>	<b>78,434</b>

Included within the above costs for Historic England are £550,000 wages and salaries costs (2016-17: £267,000), £54,000 social security costs (2016-17: £25,000) and £113,000 pension costs (2016-17: £54,000) that have been capitalised within Non-Current Assets (notes 19 to 21). There are nil redundancy and severance costs (2016-17: nil) and £101,000 agency staff costs (2016-17: £43,000) that have been capitalised.

Included within the above costs for the Historic England Group are £1,455,000 wages and salaries costs (2016-17: £922,000), £139,000 social security costs (2016-17: £86,000) and £208,000 pension costs (2016-17: £124,000) that have been capitalised within Non-Current Assets. There are nil redundancy and severance costs (2016-17: nil) and £276,000 agency staff costs (2016-17: £101,000) that have been capitalised.

## 19 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 2017	2,508	11,264	566	14,338
Additions	13	–	924	937
Disposals	(52)	–	–	(52)
Reclassifications	–	62	(62)	–
Impairments	–	2	–	2
Revaluations	60	224	–	284
<b>At 31 March 2018</b>	<b>2,529</b>	<b>11,552</b>	<b>1,428</b>	<b>15,509</b>
<b>Amortisation</b>				
At 1 April 2017	1,990	9,318	–	11,308
Charged in Year	204	719	–	923
Disposals	(51)	–	–	(51)
Impairments	–	–	–	–
Revaluations	55	219	–	274
<b>At 31 March 2018</b>	<b>2,198</b>	<b>10,256</b>	<b>–</b>	<b>12,454</b>
Carrying Amount at 31 March 2017	518	1,946	566	3,030
<b>Carrying Amount at 31 March 2018</b>	<b>331</b>	<b>1,296</b>	<b>1,428</b>	<b>3,055</b>

All intangible assets are owned outright (2017: all).

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

All intangible assets are owned outright (2017: all).

## 19 Intangible Assets *continued*

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>				
<b>Cost or Valuation</b>				
At 1 April 2016	2,318	10,262	214	12,794
Additions	74	251	511	836
Disposals	(23)	(46)	–	(69)
Reclassifications	–	180	(180)	–
Revaluations	139	617	21	777
<b>At 31 March 2017</b>	<b>2,508</b>	<b>11,264</b>	<b>566</b>	<b>14,338</b>
<b>Amortisation</b>				
At 1 April 2016	1,679	8,152	–	9,831
Charged in Year	223	686	–	909
Disposals	(23)	(46)	–	(69)
Revaluations	111	526	–	637
<b>At 31 March 2016</b>	<b>1,990</b>	<b>9,318</b>	<b>–</b>	<b>11,308</b>
Carrying Amount at 31 March 2016	639	2,110	214	2,963
<b>Carrying Amount at 31 March 2017</b>	<b>518</b>	<b>1,946</b>	<b>566</b>	<b>3,030</b>

All intangible assets are owned outright (2017: all).

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
<b>Historic England</b>				
<b>Cost or Valuation</b>				
At 1 April 2016	1,150	9,056	126	10,332
Additions	42	251	377	670
Disposals	(23)	(46)	–	(69)
Reclassifications	–	25	(25)	–
Revaluations	68	545	–	613
<b>At 31 March 2017</b>	<b>1,237</b>	<b>9,831</b>	<b>478</b>	<b>11,546</b>
<b>Amortisation</b>				
At 1 April 2016	1,060	7,472	–	8,532
Charged in Year	65	600	–	665
Disposals	(23)	(46)	–	(69)
Revaluations	65	480	–	545
<b>At 31 March 2017</b>	<b>1,167</b>	<b>8,506</b>	<b>–</b>	<b>9,673</b>
Carrying Amount at 31 March 2016	90	1,584	126	1,800
<b>Carrying Amount at 31 March 2017</b>	<b>70</b>	<b>1,325</b>	<b>478</b>	<b>1,873</b>

All intangible assets are owned outright (2017: all).

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

Following the move of Historic England and English Heritage from their main London office at 1 Waterhouse Square, an asset relating to the costs of refurbishment and fitting out of that building was disposed. This had a nil net book value. Additionally, English Heritage has been undertaking significant works at Pendennis Castle and this has resulted in the removal of some exhibition and refurbishment assets in the barracks and café. This also had a nil net book value.



## 20 Property, Plant & Equipment *continued*

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

Following the move of Historic England and English Heritage from their main London office at 1 Waterhouse Square, an asset relating to the costs of refurbishment and fitting out of that building was disposed. This had a nil net book value. Additionally, English Heritage has been undertaking significant works at Pendennis Castle and this has resulted in the removal of some exhibition and refurbishment assets in the barracks and café. This also has a nil net book value.

Capital expenditure contracted for as at 31 March 2018 but not provided for in the financial statements amounted to £107,000 for Historic England (2017: £1,266,000) and £2,137,000 for the group (2017: £4,349,000). Those commitments relating to tangible non-current assets amounted to £80,000 for Historic England (2017: £1,060,000) and £2,046,000 for the group (2017: £4,113,000) and those relating to intangible non-current assets amounted to £27,000 for Historic England (2017: £206,000) and £91,000 for the group (2017: £235,000).

Total Non-Current Asset acquisitions in the year to the fair value of £1,903,000 were funded by government grant (2017: £812,000), £nil by non-government grant (2017: £nil), £nil by donations (2017: £nil), £17,000 by asset sale proceeds (2017: £29,000), £nil by lottery funding (2017: £nil), £9,000 contribution from the Guildford office landlord towards the office fit out (2017: £nil) and £32,400 transferred from English Heritage for their contribution to the Guildford office fit out (2017: £65,000).

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 Cannon Bridge House and Guildford office fit outs.

Historic England's obligations under finance leases (note 31) are secured by the lessors' title to the leased assets, which have a carrying value of £8,382,000 (2017: £7,835,000) within land and buildings excluding dwellings. All other property, plant & equipment is either under guardianship of or owned outright by Historic England (2017: all).

## 20 Property, Plant & Equipment *continued*

	Operational Land & Buildings £'000	Dwellings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>							
<b>Cost or Valuation</b>							
At 1 April 2016	109,548	2,437	17,927	7,033	7,082	3,272	147,299
Additions	514	–	391	–	32	6,858	7,795
Disposals	(157)	–	(243)	(642)	(693)	–	(1,735)
Impairments	(131)	–	(66)	–	–	–	(197)
Reclassifications	3,743	217	66	–	427	(4,453)	–
Revaluations	4,957	120	108	390	(2)	31	5,604
<b>At 31 March 2017</b>	<b>118,474</b>	<b>2,774</b>	<b>18,183</b>	<b>6,781</b>	<b>6,846</b>	<b>5,708</b>	<b>158,766</b>
<b>Depreciation</b>							
At 1 April 2016	23,900	301	10,404	4,856	4,578	–	44,039
Charged in Year	4,198	171	1,328	808	486	–	6,991
Disposals	(116)	–	(228)	(642)	(693)	–	(1,679)
Impairments	–	–	(8)	–	–	–	(8)
Revaluations	1,011	18	54	293	(4)	–	1,372
<b>At 31 March 2017</b>	<b>28,993</b>	<b>490</b>	<b>11,550</b>	<b>5,315</b>	<b>4,367</b>	<b>–</b>	<b>50,715</b>
Carrying Amount at 31 March 2016	85,648	2,136	7,523	2,177	2,504	3,272	103,260
<b>Carrying Amount at 31 March 2017</b>	<b>89,481</b>	<b>2,284</b>	<b>6,633</b>	<b>1,466</b>	<b>2,479</b>	<b>5,708</b>	<b>108,051</b>
<b>Historic England</b>							
<b>Cost or Valuation</b>							
At 1 April 2016	107,348	2,437	15,077	6,732	6,372	254	138,220
Additions	–	–	179	–	–	727	906
Disposals	(157)	–	(217)	(642)	(693)	–	(1,709)
Transferred by Absorption	–	–	65	–	–	–	65
Impairments	(131)	–	(45)	–	–	–	(176)
Reclassifications	283	5	–	–	(2)	(286)	–
Revaluations	4,868	120	93	365	5	31	5,482
<b>At 31 March 2017</b>	<b>112,211</b>	<b>2,562</b>	<b>15,152</b>	<b>6,455</b>	<b>5,682</b>	<b>726</b>	<b>142,788</b>
<b>Depreciation</b>							
At 1 April 2016	23,748	301	9,034	4,683	4,097	–	41,863
Charged in Year	3,866	165	868	774	395	–	6,068
Disposals	(116)	–	(202)	(642)	(693)	–	(1,653)
Transferred by Absorption	–	–	48	–	–	–	48
Revaluations	1,004	18	44	281	–	–	1,347
<b>At 31 March 2017</b>	<b>28,502</b>	<b>484</b>	<b>9,792</b>	<b>5,096</b>	<b>3,799</b>	<b>–</b>	<b>47,673</b>
Carrying Amount at 31 March 2016	83,600	2,136	6,043	2,049	2,275	254	96,357
<b>Carrying Amount at 31 March 2017</b>	<b>83,709</b>	<b>2,078</b>	<b>5,360</b>	<b>1,359</b>	<b>1,883</b>	<b>726</b>	<b>95,115</b>

## 21 Heritage Assets

	Land & Buildings £'000	Dwellings £'000	Artefacts & Archives £'000	Assets Under Construction £'000	Total £'000
<b>Group</b>					
<b>Cost or Valuation</b>					
At 1 April 2017	17,628	6,576	8,165	14,385	46,754
Additions	-	-	292	-	292
Impairments	173	10	-	-	183
Revaluations	1,585	625	-	6,209	8,419
<b>Carrying Amount at 31 March 2018</b>	<b>19,386</b>	<b>7,211</b>	<b>8,457</b>	<b>20,594</b>	<b>55,648</b>
At 1 April 2016	11,609	6,257	8,165	6,092	32,123
Revaluations	6,019	319	-	8,293	14,631
<b>Carrying Amount at 31 March 2017</b>	<b>17,628</b>	<b>6,576</b>	<b>8,165</b>	<b>14,385</b>	<b>46,754</b>
<b>Historic England</b>					
<b>Cost or Valuation</b>					
At 1 April 2017	17,628	6,576	8,084	14,385	46,673
Impairments	173	10	-	-	183
Additions	-	-	42	-	42
Revaluations	1,585	625	-	6,209	8,419
<b>Carrying Amount at 31 March 2018</b>	<b>19,386</b>	<b>7,211</b>	<b>8,126</b>	<b>20,594</b>	<b>55,317</b>
At 1 April 2016	11,609	6,257	8,084	6,092	32,042
Revaluations	6,019	319	-	8,293	14,631
<b>Carrying Amount at 31 March 2017</b>	<b>17,628</b>	<b>6,576</b>	<b>8,084</b>	<b>14,385</b>	<b>46,673</b>

The table below provides a summary of transactions relating to heritage assets for the current and previous four accounting periods. There are no transactions relating to assets which are not reported in the Statement of Financial Position.

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Cost of Acquisition	-	-	71	640	1,006
Value Acquired by Donation	292	-	10	15	-
Revaluations/(Impairments) Recognised	6,209	8,293	6,092	-	(111)
Heritage Assets Charged to Expenditure in Year	14	3	23	35	14

£306,000 of historic artefacts (including replicas) were acquired during the year ended 31 March 2018 (2017: £3,000). £292,000 of this was charged to the Statement of Financial Position (2017: £nil) and £14,000 was revenue in nature (2017: £3,000).

The group has recognised £6.209million (2017: £8.293million) of revaluations of heritage assets. This represents expenditure by English Heritage in line with the £80million New Model grant from Government. Historic England capitalises any elements of this expenditure which meets the capitalisation policy outlined in notes 1i-1k.

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

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

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

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

## 22 Further Information on Heritage Assets

### *Land and Buildings – Pure Heritage Assets*

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

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

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

### *Historic Artefacts*

As part of the National Heritage Collection, Historic England manages 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 £42,000 (2017: £nil). There were no disposals of artefacts during the year, or in the previous year.

## 23 Conservation and Management

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

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

Total group expenditure on site maintenance of £22,090,000 was incurred during the year ended 31 March 2018 (2017: £18,156,000). Further information is provided in the separate publication Conservation Principles, Policies and Guidance, which is now located on the Historic England website. This sets out the framework within which historic estates are managed as well as the thinking that guides Historic England's advice to others. Further information in relation to the work of The English Heritage Trust can be found on the website [www.english-heritage.org.uk](http://www.english-heritage.org.uk).

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

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

## 24 Current Assets Investments

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
At 1 April	-	1,240	-	1,217
New Investments in Year	-	1,533	-	23
<b>At 31 March</b>	<b>-</b>	<b>2,773</b>	<b>-</b>	<b>1,240</b>

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

## 25 Inventories

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Inventories	167	7,617	169	6,585

Inventories for the Group are stated after write offs in the year of £162,000 (2017: £175,000). For Historic England, inventories are stated after write offs in the year of £6,000 (2017: £5,000). Provisions for the year are £46,000 in Historic England and £110,000 in the Group (2017: £30,000 and £92,000 respectively).

## 26 Trade and Other Receivables

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Receivables	558	1,163	472	2,021
Value Added Tax	864	732	1,496	3,601
Prepayments and Accrued Income	2,907	5,516	3,174	4,856
Other Receivables	31	991	160	1,050
Amount owed by Subsidiary Undertaking	1,029	-	59	-
<b>Total Trade and Other Receivables</b>	<b>5,389</b>	<b>8,402</b>	<b>5,361</b>	<b>11,528</b>

## 27 Assets Classified as Held for Sale

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Assets Held for Sale	40	40	40	40

The asset classified as held for sale at 31 March 2017 and 31 March 2018 is land at Birdoswald. The asset is held at the lower of the carrying amount and the fair value less costs to sell.

## 28 Cash and Cash Equivalents

	2018 £'000	2017 £'000
<b>Group</b>		
<b>Balance at 1 April</b>	67,033	80,219
Net Change in Cash and Cash Equivalents Balances	(1,251)	(13,186)
<b>Balance at 31 March</b>	<b>65,782</b>	<b>67,033</b>
The following balances at 31 March were held with:		
<b>Cash</b>		
Government Banking Service	41,374	56,242
Commercial Banks	14,302	10,791
	<b>55,676</b>	<b>67,033</b>
<b>Cash Equivalents</b>		
Commercial Banks	10,106	-
<b>Balance at 31 March</b>	<b>65,782</b>	<b>67,033</b>
<b>Historic England</b>		
<b>Balance at 1 April</b>	<b>65</b>	761
Net Change in Cash and Cash Equivalents Balances	1,122	(696)
<b>Balance at 31 March</b>	<b>1,187</b>	<b>65</b>
The following balances at 31 March were held with:		
<b>Cash</b>		
Government Banking Service	1,035	(99)
Commercial Banks	152	164
	<b>1,187</b>	<b>65</b>
<b>Cash Equivalents</b>		
Commercial Banks	-	-
<b>Balance at 31 March</b>	<b>1,187</b>	<b>65</b>

## 29 New Model Grant

The remaining balance of the £80million New Model grant is held by English Heritage in a Government Banking Service account. At 31 March, the balance of this account was £40,158,000 (2017: £53,248,000), with expenditure split as follows:

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

	2018	2017
<b>Element of spend of £80million government grant</b>		
£52million	23,007	16,093
£18million	13,506	9,000
£10million	3,329	1,659
	<b>39,842</b>	<b>26,752</b>

## 30 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 2018.

The Historic England group subsidiaries have greater financial freedom, enabling them to utilise financial instruments more readily than Historic England.

Surplus funds within The English Heritage Trust are held on short-term (less than one year) fixed interest rate deposit or notice accounts with institutions with low risk credit ratings, classified as either cash and cash equivalents or current asset investments.

At 31 March 2018, English Heritage held short-term deposits with institutions with low risk credit ratings, amounting to £2,773,000 (2017: £1,241,000).

As allowed by IFRS 7, receivables and payables that are due to mature or become payable within 12 months from the Statement of Financial Position date have not been disclosed as financial instruments.

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

### a) Liquidity Risk

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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

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Historic England and the Group's long-term financial liabilities relate solely to provisions (note 34), none of which are interest bearing and are mainly due within one year. The only disclosable financial assets are cash and cash equivalents, current and non-current asset investments which are not exposed to significant interest rate risk.

### c) Currency Risk

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All financial assets and liabilities are held in sterling.

### d) Valuation

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There is no material difference between the carrying values and fair values of financial assets and liabilities.

### e) Financial Assets

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Historic England held no financial assets classified as fixed term deposits at 31 March 2018 (2017: £nil). Current asset investments held by The English Heritage Trust at 31 March were as follows:

	Group 2018 £'000	Group 2017 £'000
Value as at 1 April	1,240	1,217
Transfer from Cash and Cash Equivalents	1,533	23
<b>Value as at 31 March</b>	<b>2,773</b>	<b>1,240</b>

All investments were held in notice accounts in the UK.

## 31 Obligations Under Finance Leases

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

	2018 £'000	2017 £'000
<b>Historic England &amp; Group</b>		
<b>Obligations under finance leases for the following periods comprise:</b>		
Land and Buildings		
Not later than one year	566	566
Later than one year and not later than five years	2,266	2,266
Later than five years	19,823	20,389
	<u>22,655</u>	<u>23,221</u>
Less interest element	(15,334)	(15,874)
<b>Present value of obligations</b>	<b><u>7,321</u></b>	<b><u>7,347</u></b>

Contingent rents are calculated as the increases in rental costs as a result of rent reviews. During the year, £281,000 of contingent rents have been paid (2017: £281,000).

It is Historic England's policy to lease certain of its property, plant & equipment under finance leases. The Engine House building and the Historic England Archive facility lease transfers the risks and rewards of ownership to Historic England. The assets have been capitalised and are subject to the same revaluation policies as other property, plant and equipment, and are depreciated over the shorter of useful economic life or the lease period with the outstanding lease obligations (net of interest) shown in payables. Historic England's finance lease policy is disclosed in note 1q.

Net lease liabilities repayable within one year were £566,000 (2017: £566,000), in the second to fifth years inclusive £1,878,000 (2017: £1,878,000) and after five years £4,877,000 (2017: £4,903,000).

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

## 32 Trade and Other Current Payables

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Trade Payables	2,784	7,038	3,993	14,970
Pensions, Income Tax and Social Security	1,511	2,472	1,507	1,411
Deferred Income	266	13,440	311	12,311
Accruals	10,158	22,536	8,633	13,598
Other Payables	133	284	172	412
Amount Owed to Subsidiary Undertaking	114	-	-	-
<b>Total Trade and Other Payables</b>	<b><u>14,966</u></b>	<b><u>45,770</u></b>	<b><u>14,616</u></b>	<b><u>42,702</u></b>

## 33 Other Non-Current Payables

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
Pensions	226	226	246	246
Deferred Income	-	1,950	-	1,863
Other Payables	-	3	-	-
<b>Other Non-Current Payables</b>	<b><u>226</u></b>	<b><u>2,179</u></b>	<b><u>246</u></b>	<b><u>2,109</u></b>



## 34 Provisions

	Historic England			Group		
	Early Retirement & Restructuring £'000	Legal & Constructive Obligations £'000	Total £'000	Early Retirement & Restructuring £'000	Legal & Constructive Obligations £'000	Total £'000
<b>Balance at 1 April 2017</b>	150	23	<b>173</b>	150	33	<b>183</b>
Provided in the Year	–	–	–	–	34	<b>34</b>
Provisions Released in the Year	(3)	(12)	<b>(15)</b>	(3)	(12)	<b>(15)</b>
Provisions Utilised in the Year	(78)	(9)	<b>(87)</b>	(78)	(9)	<b>(87)</b>
<b>Balance at 31 March 2018</b>	<b>69</b>	<b>2</b>	<b>71</b>	<b>69</b>	<b>46</b>	<b>115</b>
Balance at 1 April 2016	307	47	<b>354</b>	307	59	<b>366</b>
Provided in the Year	–	10	<b>10</b>	–	20	<b>20</b>
Provisions Released in the Year	–	(5)	<b>(5)</b>	–	(7)	<b>(7)</b>
Provisions Utilised in the Year	(157)	(29)	<b>(186)</b>	(157)	(39)	<b>(196)</b>
<b>Balance at 31 March 2017</b>	<b>150</b>	<b>23</b>	<b>173</b>	<b>150</b>	<b>33</b>	<b>183</b>

A provision with relation to early retirement costs is payable until the relevant individuals reach a pensionable age of 60. These are payable by monthly instalments to pensioners until 2019. Provisions are calculated based on third party information provided by pension scheme administrators. Those payments due after a year amount to £19,000.

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

## 35 Operating Leases

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

	2018		2017	
	Historic England £'000	Group £'000	Historic England £'000	Group £'000
<b>Land and Buildings</b>				
Not later than one year	1,937	3,535	1,672	2,791
Later than one year and not later than five years	7,383	13,483	5,564	9,759
Later than five years	26,130	46,962	21,399	37,626
	<b>35,450</b>	<b>63,980</b>	<b>28,635</b>	<b>50,176</b>
<b>Other</b>				
Not later than one year	64	143	47	125
Later than one year and not later than five years	87	137	79	154
Later than five years	–	–	–	–
<b>Total Operating Lease Commitments</b>	<b>35,601</b>	<b>64,260</b>	<b>28,761</b>	<b>50,455</b>

The majority of leases relate to property rentals and are subject to rent reviews. During the year ended 31 March 2018 payments under operating leases totalled £3,772,000 for Historic England (2017: £3,910,000) and £5,493,000 for the group (2017: £5,323,000).

## 36 Contingent Liabilities

Various outstanding claims existed at 31 March 2018. Provision has been made in the accounts for the year ended 31 March 2018 for those outstanding liabilities which will probably require settlement, and where the amount of the liability can be reliably estimated (note 34). £163,000 of contingent liabilities have been identified for the group as at 31 March 2018 (2017: £353,000) of which £50,000 (2017: £203,000) have been identified for Historic England, all relating to outstanding legal claims.

## 37 Contingent Assets

There have been no contingent assets recognised in the year ended 31 March 2018.

## 38 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 following results of The English Heritage Trust have been included in the consolidated results:

	2018 £'000	2017 £'000
<b>Incoming and Expended Resources</b>		
Total Incoming Resources	116,003	102,995
Total Resources Expended	(114,136)	(109,056)
<b>Net Income for the Year</b>	<b>1,867</b>	<b>(6,061)</b>
<b>Reconciliation of Funds</b>		
Total Funds Brought Forward	66,246	72,307
Total Funds Carried Forward	<b>68,113</b>	<b>66,246</b>
	2018 £'000	2017 £'000
<b>Net Assets as at 31 March</b>		
Non-Current Assets	21,848	14,175
Current Assets	80,441	82,347
Creditors: Amounts Falling Due Within One Year	(32,182)	(28,403)
Creditors: Amounts Falling Due After More Than One Year	(1,994)	(1,873)
<b>Net Assets</b>	<b>68,113</b>	<b>66,246</b>
Restricted	43,290	55,915
Unrestricted	24,823	10,331
<b>Funds</b>	<b>68,113</b>	<b>66,246</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.

#### 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 £30,000 in grants during 2017-18 from Historic England. The following results of The English Heritage Trust have been included in the consolidated results:

	2018 £'000	2017 £'000
<b>Incoming and Expended Resources</b>		
Total Income	30	5
Total Expenditure	(30)	–
<b>Net Income for the Year</b>	<b>–</b>	<b>5</b>
<b>Reconciliation of Funds</b>		
Total Funds Brought Forward	5	–
<b>Total Funds Carried Forward</b>	<b>5</b>	<b>5</b>
<b>Net Assets as at 31 March</b>		
Current Assets	35	5
Current Liabilities	(30)	–
<b>Net Assets</b>	<b>5</b>	<b>5</b>
<b>Retained Earnings</b>	<b>5</b>	<b>5</b>

#### e) The Iveagh Bequest

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

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

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

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

## 39 Events After the Reporting Period

There were no reportable events between 31 March 2018 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.



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SECTION 5

# Our Supporters

## SECTION 5

# Our Supporters

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Historic England counts on support from individuals, trusts, foundations, public funders and companies to help us to deliver exciting and innovative projects across the country.

We are very grateful to those who have contributed to our activities during the year ended 31st March 2018. The following have given amounts of, or worth, £1,000 or more:

Andrew Lloyd Webber Foundation  
Ann Thompson  
Battersea Power Station Development Company  
Ecclesiastical Insurance Group  
Heritage Lottery Fund  
Jane and Alan Foale  
Keymer  
Mark Hannam  
Paula Cooze  
Selectaglaze  
The Wellcome Trust

We also thank those not listed here, as well as all 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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