

Heritage Counts

**Estimating the Aggregate Annual
Amount Available for Repairs and
Restoration to the Fabric of Historic
Buildings in England**



*Prepared for English Heritage
/ Heritage Counts*

Jeremy Eckstein
Associates

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My grateful thanks go to my colleague Roberta Harris, without whose persistence the responses to this investigation would have been substantially less complete.

1. Background

1.1 This exercise is a first attempt within the context of Heritage Counts, to estimate the total annual value of grants made by charitable and public sector sources towards repairs and renovations to the fabric of historic buildings in England. It does not seek to measure total expenditure on such work, hence no attempt has been made to estimate the corresponding parallel expenditure by individuals and other private sector sources (see Section 3 below).

1.2 The exercise has been undertaken in the full knowledge that the “quick and dirty” methodology employed on this first occasion can do little more than provide an approximate estimate of the true amount involved, and in the hope that it will encourage a more refined approach in subsequent years. In this spirit, the work openly acknowledges the potential weaknesses of the methodology employed, and discusses some of the principal areas in which further investigations could usefully be undertaken.

1.3 The starting point for this study was the listing of funding sources provided on the Architectural Heritage Fund’s *Funds for Historic Buildings* website.¹ This listing does not claim to be to be absolutely complete. Nevertheless it is generally acknowledged to be the most comprehensive, reliable and up-to-date listing of its kind, and it is further believed that any omissions are relatively minor, ie. that it identifies the large majority of grant-making bodies and other organisations that make substantive contributions to the sector.

1.4 Following discussions with English Heritage, it was agreed that the exercise should seek to determine, for each of the past two years: (i) how many projects were supported by each of the organisations identified; (ii) the aggregate monetary value of this support; (iii) the split between expenditure on projects involving secular and religious buildings; and (iv) where relevant, the proportion of the organisation’s total grant expenditure accounted for by this particular area of support.

1.5 A (purposely) brief questionnaire was sent to every body identified by the FFHB website whose geographical remit included all or any part of England.² The questions were prefaced by detailed instructions designed to

¹ <www.ffhb.org.uk>

² The exercise was limited to expenditure on building restoration and repair projects in England.

define terms as precisely as possible, and to resolve any possible sources of ambiguity.³ Copies of the questionnaire and instructions, together with the accompanying letter, are attached as an Appendix to this report.

1.6 Altogether a total of 123 questionnaires were sent out, and 78 responses were received in return. The overall response rate therefore amounted to 63%. The responses included a significant number of instances where more detailed correspondence was received in lieu of (or in some cases in addition to) the completed questionnaire. The response rates within some sub-categories were somewhat lower than had been anticipated.⁴

1.7 The questionnaire was generally well received and the questions were acknowledged by a number of recipients as being valid and important; the survey was clearly breaking new ground. A number of the respondents evidently expended substantial amounts of time and energy in compiling the information requested – with unfailing goodwill. This was especially true for bodies for which supporting the built heritage was quite coincidental to their primary areas of concern, so that identifying projects within the remit of the survey frequently required considerable investigation.

1.8 The planned approach to determining aggregate figures for the purpose of this exercise, was: (i) to gross-up the responses where necessary to allow for non-responses from the bodies to which questionnaires were sent, and then (ii) to apply a further multiple to allow for the existence of additional funding sources not covered by the FFHB database. While grossing-up in this manner is an inherently risky procedure, nevertheless it is the most appropriate approach available in the circumstances. Further, steps were taken to minimise the errors likely to arise from the variability in figures, which constitutes the principal weakness of the grossing-up approach. This involved subdividing the responses into a number of more homogeneous groups, each of which were analysed separately (see para. 4.1 below).

³ That said, the definition of “historic buildings” was ultimately to some extent left as being a matter of self-definition (the exercise was not restricted to listed buildings). However there was (hopefully) little room for doubt as to the nature of the projects; the instructions made it clear that the exercise was interested in genuine restoration and repair work, not in work which would normally be classified as “routine maintenance”.

⁴ A number of respondents took issue with the short time allowed for reply, together with the pressure caused by key personnel being on holiday at this time of year.

1.9 Where reference is made to “Year 1” and “Year 2”, these generally refer to 2002 or 2002-03 and to 2003 or 2003-04 respectively (ie. “previous” and “latest” years). However in a few instances they refer to periods one year earlier.

2. Double Counting

2.1 Some grant-making trusts make block grants to other trusts, which themselves use the money to award grants to individual projects. It would clearly be wrong to include such moneys under both headings as this would amount to double counting. Where such practice can be readily identified, such grants are only counted once only. However there can be no assurance that all such instances have been identified, so that there remains the likelihood of some small error due to double counting of grant-aid. However the order of magnitude of the resulting error is likely to be small.

3. Matching Funding

3.1 It is common practice in the historic building sector for grants towards the cost of repair or restoration projects purposely to cover only a proportion of the total cost involved, leaving the recipients to raise the balance of the project cost from other sources.⁵ In some instances the balance may come in part from other grant-making trusts also covered by this survey. However in the majority of cases a large proportion of the balance will come from private fund-raising initiatives (individuals, local interest groups, parishoners, “Friends” etc). It must be understood that these private sources, and the considerable amount of money they represent, are completely “below the radar” as far as this survey is concerned.

3.2 It must be recognised therefore, that to some extent this survey is only capturing the visible tip of the iceberg as regards funding support, and that

⁵ Thus for example, the Heritage Lottery Fund main grants are limited to 90% of the cost of projects up to £1 million and to 75% of the cost of projects over £1 million.

there remains an element of unrecorded support which is unmeasurable by the processes employed for this particular survey.⁶

4. Grouping the Grant-Making Bodies

4.1 For the purposes of analysing the grant-making bodies identified for this exercise, they were divided into the following broadly homogeneous groups:

- a) Government / Agency;
- b) Regional Development Agencies;
- c) European Regional Development Funding;
- d) County Historic Church Trusts;
- e) Dedicated Special Bodies;
- f) General Private Trusts;
- g) Other Trusts;
- h) Other Sources.

4.2 Each of these groups are dealt with separately in the following sections, before bringing them together in order to provide “global” aggregate estimates.

5. Government / Agency

5.1 Sources of grant-aid under this heading for repairs and restoration to historic buildings include:

⁶ The iceberg analogy may be misleading in terms of the relative sizes of the visible and hidden sums involved. However, the level of interest and the substantial sums raised in support of projects highlighted by the popular “Restoration” series on television, make it clear that the sums involved are considerable. Further, many of the private grant making trusts regularly (and increasingly) report that demand for assistance far exceeds their financial resource. Although a number of unsuccessful applicants presumably have to abandon their projects for lack of financial support, it must be presumed that many go ahead anyway, thanks to private (ie. unrecorded) fundraising initiatives.

- the Listed Places of Worship Grant Scheme (funded via the Department of Culture, Media & Sport⁷);
- various programmes supported by DEFRA (some of which, such as the Countryside Stewardship Scheme and the Aggregate Levy Sustainability Fund, can in principle and under certain circumstances be applied to historic buildings);
- various programmes supported by the ODPM (under its “Creating Sustainable Communities” initiative, some of which, again, can in principle and under certain circumstances be applied to historic buildings);
- local authorities;
- the Countryside Agency;
- English Partnerships;
- the EU’s “Culture 2000” programme.

5.2 The Listed Places of Worship Grant Scheme : The total amount paid to date (in terms of VAT refunded) under this scheme in respect of work carried out since April 2001 amounts to a little over £20 million. The Department was unable to provide annual figures, but it is believed that the figure for 2003-04 amounted to some £10 million. It may therefore be assumed that the figure for 2002-03 was in the region of £6 million.

5.3 These figures relate to the period up to the end of 2003-04 when the refund of VAT was limited to the difference between 5% and the actual amount of VAT paid. The annual amount will increase from April 2004 when the refund increased to the full amount of VAT paid on eligible works. Even assuming the takeup on the scheme in 2004-05 is no more than in 2003-04, the total refunded would increase by 40% on this account.⁸

5.4 Aggregate Levy Sustainability Fund : DEFRA’s response to the questionnaire indicated that grants from this Fund had been made to 3 historic building projects in 2002-03 with grant-aid totalling £162,000, and to 6 projects in 2003-04 with grants totalling £1.117 million. All the projects involved repairs

⁷ But not including (to avoid double counting) the Department’s grant-aid to English Heritage and the Churches Conservation Trust (see para. 9.8 below), Historic Royal Palaces, Apsley House, etc.

⁸ $17.5/12.5 = 1.4$

or renovations to secular rather than religious buildings. The grants accounted for 3.1% by value of the total grants awarded under the Fund in 2002-03, and to 28.2% by value in 2003-04. These grants are reactive rather than proactive. The large increase between 2002-03 and 2003-04 in the sums directed towards historic buildings is a matter of chance, not the result of a systematic targeting policy. There can be no expectation that the grants to historic buildings will continue at the higher level in future years.

5.5 Countryside Stewardship Scheme : DEFRA's capital expenditure on ESA (Environmentally Sensitive Area) and Countryside Stewardship Scheme payments for the restoration of historic buildings (mainly traditional farm buildings) was as follows:

Totals	2002	2003
Number of Projects Supported	591	803
Total Value of Support	£5.063 m	£8.024 m
% by Value – Secular	100%	100%
% by Value – Religious	0%	0%
Proportion of Overall ESA & CSS Expenditure	63%	63%

5.6 Although in theory grants from the Countryside Agency's Local Heritage Initiative and other programmes could be applied to work on historic buildings, in fact none were during the period under review. The same was reported to be the case under the ODPM's various community-based programmes (such as Business in the Community, Gap Funding, Neighbourhood Renewal Unit, Igloo Regeneration Fund, Coalfield Regeneration Trust, etc.). The majority of these are in fact still in the "beta testing" or development phase, or else too new for their impact yet to have been fully assessed.

5.7 Information provided by the ODPM regarding Local Councils' "Borrowing Approvals" powers, indicates aggregate expenditure of £800,000 under this heading in 2002-03 on 3 projects involving repairs to historic buildings in 2002-03 and £650,000 (again on 3 projects) in 2003-04.

5.8 Expenditure by local authorities on historic buildings⁹ is provided by CIPFA (the Chartered Institute of Public Finance and Accountancy) in its

⁹ See footnote 11 below.

annual *Planning & Development Statistics*.¹⁰ Relevant expenditure is presented under a number of headings within the general category of “Conservation of the Historic Environment”¹¹, as follows (the figures are “all England” grossed-up totals, ie. they make allowance for non-response):

Total Expenditure	2000-2001 (est)	2001-2002 (est) ^a
Running Expenses ^b	£15.856 m	£13.466 m
Capital Charges ^c	£8.502 m	£6.271 m
Grants paid from own funds ^d	£14.172 m	£11.187 m
<i>Grants paid from funds of other bodies ^e</i>	<i>£14.516 m</i>	<i>£17.240 m</i>

Notes:

(a) The most recent set of the *Planning and Development Statistics* to which the author could gain access at the time of writing, was the 2002 issue, which contained estimates for the year 2001-2002.

(b) Running Expenses consist of the cost of consultancy on specific buildings, areas and issues, plus payment for advice from Sites & Monuments records on planning cases and the costs of conservation and other advice from other local authorities and agencies etc.

(c) Capital Charges consist mainly of depreciation and interest.

(d) Grants paid from own funds is the principal heading as regards this exercise. It consists of grants paid to outside bodies for the repair or refurbishment of listed buildings, other historic buildings, monuments, archaeological remains and the enhancement of conservation areas.

¹⁰ CIPFA surveys all local authorities, Metropolitan Boroughs etc. and brings together and aggregates the resulting data. The response rate to the surveys is normally between 60% - 70%; CIPFA grosses up its estimates to allow for the non-response, but points out that the results are therefore open to possibly significant margins of error and that caution should be taken when using the results.

The *Planning & Development Statistics* contain the large majority of expenditure under this heading. However CIPFA acknowledges that a small amount may find its way into other budgets appearing in its *Leisure and Recreation Statistics*.

¹¹ The Historic Environment in this context includes “listed buildings, conservation areas, archaeology, historic landscapes including parks and other buildings or areas which have particular archaeological or historic qualities which the authority seeks to protect or improve”. It is not possible to isolate expenditure on historic buildings alone within this overall grouping.

(e) Grants paid from funds of other bodies comprises grants paid via the local authorities from the funds of other bodies such as English Heritage and ODPM (English Partnerships, regeneration budgets, rural development funds, Housing Corporation etc). It is shown here for the record, as an indication of the extent to which local authorities act as conduits for the distribution of funds originating from other bodies. The funding streams are not to be included in the aggregation of grants in this exercise, as it would result in double counting to the extent that the grants are covered elsewhere, under the heads of the primary sources (but see 5.10 below).

5.9 It will be seen that a substantial proportion of total relevant expenditure by local authorities actually represents the disbursement of other bodies' grant aid. Further, total expenditure under each of the local authorities' own budget headings shows a marked year-on-year decline. As far as local authorities are concerned, expenditure on the conservation of the historic environment represents discretionary rather than mandatory expenditure. As local authorities are finding it increasingly difficult to balance their budgets and meet the cost of even their mandatory expenditure, it is to be expected that allocations to discretionary budgets such as "heritage" will be squeezed even harder in coming years.

5.10 English Partnerships was unable to provide details of any funded projects specifically involving historic buildings.

5.11 "Culture 2000": This EU-funded programme awarded 6 grants totalling approximately £125,300 to projects involving the repair of historic buildings in 2002 and 2 grants totalling approximately £134,800 in 2003. In each year these grants amounted to no more than approximately 6% of the total grants awarded under the programme. The large majority of projects involved secular rather than religious buildings.

6. Regional Development Agencies

6.1 The Regional Development Agencies have considerable discretion and flexibility in how they use their budgets to deliver their regional strategies. This can encompass the repair or restoration of historic buildings, even though this is not part of their specific remit, providing such work falls within their primary regeneration objective.

6.2 Individual questionnaires were sent to each of the 9 Regional Development Agencies, but material replies were received from only 3 of

them.¹² These three RDAs alone had provided funding totalling some £9.8 million to projects involving historic buildings in 2003-04. However for the most part these were large individual grants towards the redevelopment of historic buildings which were an integral part of major regeneration programmes.¹³ There is no indication that the regeneration budgets were being applied in any systematic manner towards the repair of historic buildings (indeed, this is not their primary purpose) or that the experience of the 3 responding Agencies was in any way representative of what was being done elsewhere in the country.

6.3 Notwithstanding the observations above, the fact remains that an increasing number of community regeneration projects have at their heart the restoration of historic buildings. Therefore in spite of the lack of any supporting empirical evidence, it may be supposed that the figures stated in para. 6.2 above understate the use of RDA regeneration funds in this context.

7. European Regional Development Funding

7.1 The stated objective of the EU-funded European Regional Development Fund (ERDF) is to provide support for local initiatives for regional economic development in designated regions of European Union member states identified as being in greatest economic need. The repair of historic buildings *per se* is not a legitimate concern within this objective, nevertheless such projects are permitted provided that they lead to the creation of sustainable jobs.¹⁴

7.2 In the absence of any centralised data on such activities, questionnaires were sent to each of the 10 Government Offices of the Regions, which are responsible for the administration of the ERDF. Replies were received from 5 of the Offices,¹⁵ with the following results:

¹² One further agency replied saying that it was not able to search its records to determine whether or not any of the funding it has undertaken during the period under review related to historic buildings.

¹³ For example, work on the historic buildings comprising Chatham Dockyard.

¹⁴ The ERDF is one of the four European Structural Funds, but the only one which has any relevance as regards the repair of historic buildings.

¹⁵ Plus one Office which stated that it was unable to answer the questionnaire.

Totals	2002-03	2003-04
Number of Projects Supported	18	20
Total Value of Support	£5.322 m	£19.522 m
% by Value – Secular	98%	100%
% by Value – Religious	2%	0%
Proportion of Overall Funding	n/a	n/a

7.3 The figures for 2003-04 include one single exceptional return reporting expenditure of £17.4 million on 10 projects compared to £2.1 million the previous year. As in the case of the Aggregate Levy Sustainability Fund (see para. 5.4 above) there is no reason to suppose that grants in future years will be at the same high levels as in 2003-04.

7.4 The lack of response from the other 4 regional Government Offices could be taken to indicate one of a number of possibilities. It could mean that no ERDF grants were made to relevant projects in the regions during the period in question. Given that ERDF funding only applies to designated areas of England, it could also signify that the regions were not eligible to apply for ERDF funding in any event. In either of these circumstances, it would be correct to assume a “zero” response. However it is also possible that the Government Offices concerned simply failed to report relevant funding of historic building projects in their regions. Unfortunately the wide variability in the reported data from those regions which did respond, makes it inadvisable even to estimate the extent of any such possible unreported funding.¹⁶

8. County Historic Churches Trusts

8.1 The FFHB database lists (as representative exemplars) 10 of the 33 County Historic Churches Trusts. Questionnaires were sent to all 10, and all responded. The average reported results were therefore grossed-up by a

¹⁶ Excluding the exceptional figure of £17.4 million cited above, reported totals in 2003-04 were typically in the region of ± £700,000 although one region reported relevant expenditure of just £71,000. Individual totals in 2002-03 ranged from under £600,000 to well over twice that amount. The average values of the grants in each of the regions (excluding the exceptional one) ranged from £150,000 to £480,000 in 2002-03 and from approximately £70,000 to £390,000 in 2003-04.

single factor of 33/10 ie. by a multiple of 3.3 to yield the following estimates for the group of Trusts as a whole:

Estimated "Global" Totals	2002-03	2003-04
Number of Projects Supported	805	735
Total Value of Support	£2.790 m	£2.903 m
% by Value – Secular	0%	0%
% by Value – Religious	100%	100%
Proportion of Overall Charitable Giving	100%	100%

8.2 Even though the group is homogeneous as regards the remit and objective of the constituent members, there is nevertheless substantial variation in the scale of their grant-making activities. Total grants awarded by the Trusts ranged from £10,700 to £247,000 in 2002-03 and from £13,000 to £252,000 in 2003-04. The average values of the grants awarded ranged from £1,200 to £6,700 in 2002-03 and from £1,000 to £5,600 in 2003-04.

8.3 As a result, the standard deviation of the recorded total value of grants is large, resulting in a relatively large margin of error (\pm £155,000 in 2002-03 and \pm £136,000 in 2003-04) at a 95% confidence level. Therefore although the figures stated above represent best estimates, they should nevertheless be treated with some caution.

8.4 By definition, the trusts grant-aid repairs to churches only; supporting such repairs is their only function. They are therefore 100% religious.

8.5 Many of the historic churches trusts refer in their annual reports to the difficulty of sustaining the levels of charitable donations which constitute their main source of income. However there is no indication in the data collected for this survey, that their grant-making ability has been adversely affected. That said, the figures do support the understanding that the trusts are spreading their limited resources as widely as possible, preferring to give some financial support, however modest, to as many deserving projects as possible. Interestingly, the ranking of the trusts in terms of the annual amount of their grant-aid varies considerably between the two periods, further demonstrating the uncertain and precarious nature of their financial arrangements.

9. Dedicated Special Bodies

9.1 The FFHB database lists a number of other specialist grant-making trusts and other bodies which are wholly or principally dedicated to grant-aiding repairs etc to historic buildings. These are (in more-or-less alphabetic order):¹⁷ Allchurches Trust; The Architectural Heritage Fund; the Cathedrals Fabric Commission, the Council for the Care of Churches and the Churches Conservation Trust; English Heritage; Heritage Lottery Fund; Historic Churches Preservation Trust (and Incorporated Church Building Society); Leeds Church Extension Society; World Monuments Fund in Britain.

9.2 The FFHB database does not include the National Trust, because its expenditure is limited to work on its own properties and therefore strictly speaking it does not contribute to the pool of publicly available grant aid. The figures are shown below (para. 9.20) merely for the record, and so that levels of expenditure by the National Trust may be viewed in context alongside that of other bodies. However the figures are not included in the summation (para. 13.1 below).

9.3 Responses were received from all of the bodies to whom questionnaires were sent. However because of their very different remits and scales of operation the results from this group have not been aggregated but are dealt with separately in the following paragraphs.¹⁸

9.4 Allchurches Trust : Direct charitable expenditure by the Trust typically amounts to approximately £4 million per annum, a large proportion of which would fall within the bounds of this study.¹⁹

¹⁷ The bodies are listed here for purposes of record, and in the hope that any material omissions will be reported so that they can be incorporated in subsequent updates of this exercise.

¹⁸ Data in this section relating to churches was supplemented by information contained in *A Future for Church Buildings*, a Report by the Church Heritage Forum, May 2003.

¹⁹ Allchurches Trust Limited is a registered charity funded with money provided by the Ecclesiastical Insurance Group. Its charitable remit extends to promoting the Christian Religion and contributing to the funds of charitable institutions.

9.5 The Architectural Heritage Fund :

Totals	2002-03	2003-04
Number of Projects Supported	36	48
Total Value of Support	£2.125 m	£1.476 m
% by Value – Secular	100%	100%
% by Value – Religious	0%	0%

9.6 In addition to the above, the value of the subsidy on the AHF's loan portfolio is estimated as being worth²⁰ in the region of £40,000 per annum.

9.7 The Cathedrals Fabric Commission : Under its constitution, the terms of reference of the Commission give it principally an advisory and consultative role. The Commission administers two grant schemes – the Cathedral Amenities Fund (to preserve and improve the visual amenity of ancient cathedrals, abbeys and churches in the UK) and the English Cathedrals Repair Fund (grants for repairs and conservation). However these two funds are both small. The Amenity Fund offered a total of £8,891 in 2002 and £25,000 in 2003 while the Repair Fund offered a total of £2,244 in 2002 and £16,780 in 2003. The Commission's annual report points out that the relatively large allocations in 2003 were the result of an accumulated surplus arising from a lack of suitable applications in previous years. It anticipates allocations in 2004 and subsequent years to return to more usual levels – approx. £10,000 per annum for the Amenity Fund and £5,000 per annum for the Repair Fund.

9.8 The Council for the Care of Churches :

Totals	2002	2003
Number of Projects Supported	164	213
Total Value of Support	£500,000	£530,000

9.9 In spite of fears to the contrary, the funds eventually expended by the Council for the Care of Churches in 2003 were actually greater than in 2002.

9.10 The Churches Conservation Trust : The Churches Conservation Trust (formerly The Redundant Churches Fund) was set up to care for Church of

²⁰ Interest on AHF loans is charged at below full market rates.

England churches no longer needed for parish use; all its churches are architecturally or historically important, with most Grade I or Grade II*. The Trust is funded jointly by grant from the Department for Culture, Media and Sport (70%) and from the Church Commissioners (30%). The DCMS's contribution is made under specific Parliamentary authority, subject to affirmative resolution in the Commons, specifying the maximum level of funding for the coming three years. The Department's current 70% level of contribution (from 2003-04 to 2005-06) is £3 million per annum. With a "matching" (30%) contribution of approximately £1.3 million per annum from the Church Commissioners, the Trust's total income amounts to approximately £4.3 million per annum. This is supplemented by small levels of donations from supporters and other private sources.

9.11 The Historic Churches Preservation Trust :

Totals	2002	2003
Number of Projects Supported	225	292
Total Value of Support	£1.043 m	£1.746 m

9.12 Incorporated Church Building Society : The above figures do not include grants made by the ICBS, which amounted to £162,200 in 2002 and to £200,000 in 2003.

9.13 Repair Grants for Places of Worship in England : The Repair Grants programme is jointly funded by English Heritage and the Heritage Lottery Fund, and expenditure will already be included under the totals for these two funding sources (see paras. 9.12 and 9.14 below). The figure should therefore not be counted here, to avoid double counting. However, for the record, it is estimated that approximately £21 million was offered under this repair programme in 2002-03, and £30 million in 2003-04.

9.14 English Heritage :

Totals	2002-03	2003-04 (unaudited)
Number of Projects Supported	2,058	1,924
Total Value of Support	£25.758 m	£24.029 m
% by Value – Secular	63%	60%
% by Value – Religious	37%	40%

9.15 Friends of War Memorials : The FoWM is funded jointly by English Heritage (para. 9.12 above) and by the Wolfson Foundation (included in Section 10 below) so once again there may be some element of double counting. However, for the record it may be noted that the Friends made 66 grants totalling £34,500 in 2002-03 and 54 grants totalling £39,300 in 2003-04.

9.16 Heritage Lottery Fund : The Heritage Lottery Fund allocates money from the lottery to heritage.²¹ For the two financial years 2002/03 and 2003/04 HLF made awards in England amounting to £288m and £270m respectively. Currently all grants are being analysed and until this is complete, it is not possible to give a precise figure for the amount given to the repair of historic buildings. The main grant programmes that benefit historic buildings and monuments are Heritage Grants (grants of over £50,000 to all types of heritage and activities), Townscape Heritage Initiatives and the Repair Grants to Places of Worship. In 2002/03 £203m was awarded under these programmes in England, and in 2003/04 £220m was awarded. Note that these figures include awards to other types of heritage such as collections, but exclude awards to buildings under smaller grant programmes.

9.17 The size of these grants make the Heritage Lottery Fund by far the largest single contributor to repair and restoration projects involving historic buildings in England (see para. 13.2 below). Further, the Fund's requirements as regards matching funding make it a prime instigator in the raising of further funding from a variety of sources (see para. 3.1 above). Any uncertainty as to the sustainability of this level of support must therefore be a cause of considerable concern. The most important factor in this context is the declining yield from the National Lottery itself. Further, the HLF has acknowledged that its main grant-making criteria have changed, away from support for historic buildings *per se*, and towards favouring projects with a strong educational / community benefit.

9.18 Leeds Church Extension Society : This society is included in the FFHB website as an exemplar of a number of similar bodies based on ecclesiastical rather than geographic boundaries. The majority are small in terms of the size of their grant-making activities. For example, the Leeds Church Extension Society awarded 2 grants totalling £2,875 in 2002 and one grant for £6,000 in 2003. So while the total number of such bodies is not known, it is likely that their aggregate monetary contribution is relatively minor.

²¹ See *Heritage Counts 2004*, Chapter 1.

9.19 The World Monuments Fund in Britain :

Totals	2001-02	2003
Number of Projects Supported	2	9
Total Value of Support	£162,000	£1,050,000
% by Value – Secular	50%	67%
% by Value – Religious	50%	33%

9.20 The National Trust ^(a):

Totals	2002-03	2003-04
Number of Projects Supported	n/a	n/a
Total Value of Support ²²	£37.7 m ^(b)	£31.9 m
% by Value – Secular	100%	100%
% by Value – Religious	0%	0%

Notes:

(a) For reservations about the presentation of the above figures, see para. 9.2 above.

(b) The figure originally shown in the 2002-03 Accounts was £29.4 million. It was subsequently re-stated as £37.7 million following a change in accounting policy as regards the treatment of short-term cyclical repair costs. The figures for 2002-03 and 2003-04 above are on a consistent basis.

10. General Private Trusts

10.1 The latest (2003-04) edition of the CAF's standard *Directory of Grant Making Trusts* includes details of some 2,500 trusts, many of which claim to include support for the built heritage within their sometimes very broad range of charitable objectives. However previous research suggests that in practice

²² The National Trust's Capital Projects Expenditure on restoration works and other conservation projects is shown under the heading of "Historic Buildings and Collections" (expenditure on landscaping is covered under separate headings). The Trust was not able to identify how much of the totals related just to historic buildings.

the large majority of these do not actually currently support the sector to any significant material extent.

10.2 By contrast, the FFHB database contains details of some 44 private trusts which definitely do include support for historic buildings within their range of various charitable objectives. It is not claimed that these trusts are the only ones offering such financial support. Nevertheless there are reasonable grounds, based on past experience, for assuming that they probably comprise at least 75% by number of all those trusts which make a substantive contribution to the built heritage at the present time, and a larger percentage (probably between 80% and 90%) by value of all such support.²³

10.3 Questionnaires were sent to all 44 of the identified trusts; 19 responded positively. The estimates for the aggregate estimated population totals from this group have been grossed up to allow for the sample non-response and also for the estimated population size²⁴:

Estimated "Global" Totals	2002-03	2003-04
Number of Projects Supported	900	750
Total Value of Support	£7.236 m	£5.930 m

10.4 The above figures tend to bear out the claims made by many of the Trusts, that falling stockmarkets and investment yields have led to a marked reduction in their grant-making abilities.

10.5 This group is less homogeneous than the dedicated trusts as regards the remits and objectives of its constituent members, so that there is substantial variation in the scale of their grant-making activities on behalf of historic buildings, even after making allowance for the two cases treated separately (see footnote 19 below). The margins of error on the total grants in the table above are estimated at \pm £143,000 in 2002-03, and \pm £112,000 in 2003-04 at a 95% confidence level. Therefore as was the case for the County Historic Churches Trusts, although the figures stated above represent best

²³ There may be a number more which contribute minor sums from time to time, but their contribution (however welcome to the recipients) will not have a significant impact on the aggregate totals calculated for this exercise.

²⁴ Two of the 19 responding Trusts detailed grant-making activities that were larger than the majority of others by a substantial margin. These were treated separately as special cases in the grossing-up exercise.

estimates, they should nevertheless be treated with some caution – the more so in this case as the population size is itself an estimate.

11. Other Trusts

11.1 The FFHB website contains a miscellaneous selection of other Trusts, including the Conservation Foundation, the Essex Heritage Trust, the Heritage of London Trust, the Hull and East Riding Charitable Trust, the Oxford Preservation Trust, the Railway Preservation Trust and the Sutton Coldfield Municipal Charities. Replies to the questionnaire were received from 4 of the 7 bodies, as follows:

- The Hull and East Riding Charitable Trust made 2 grants totalling £6,000 towards repairs on historic buildings in 2002 and 1 grant of £10,000 in 2003 – all to secular buildings. In both years these grants represented only a very small proportion of total grants expended (1.9% and 3.7% respectively).
- The Oxford Preservation Trust made 2 grants totalling £7,000 towards repairs on historic buildings in 2002 (29% by value secular, 71% religious) and 5 grants totalling £18,000 in 2003 (72% by value secular, 28% religious). These grants represented 29% of total grant expenditure by the Trust in 2002, 65% in 2003.
- The Railway Heritage Trust made 26 relevant grants totalling £909,000 in 2002-03 and 34 grants totalling £894,000 in 2003-04. In each year these grants represented around 60% of total grants expended.
- Sutton Coldfield Municipal Charities made no relevant grants in either of the two years in question.

11.2 Given the disparate nature of the organisations, there is no basis for assuming that these four bodies are in any way representative of the other members of the group, nor is there any reliable basis for grossing-up the results to allow for the unknown total number of bodies in the population of which the group is a sample. No further information can therefore be adduced for the purposes of this survey.

12. Other Sources

12.1 The final grouping of funding sources detailed on the FFHB's website constitute a true miscellany of organisations which do not fit neatly into any of the other groups into which the bodies have been divided for the purpose of this exercise. Responses from this group were patchy. The results are set out below:

- ACRE reported a nil response in both years.
- Arts Council England responded to the questionnaire by letter, stressing that "in all cases it is the arts usage and public benefit derived in the arts sector that will be the most significant factor in our assessment, rather than the nature of the building itself". So although the projects it supports will include the renovation of a number of "listed or notable" buildings for arts usage, ACE does not measure or record funding in terms of the historical importance of the building, and therefore was unable to provide the details requested.
- Sport England did not respond to the questionnaire. In theory it can, like Arts Council England, award grants which could, incidentally, be applied to improvements to historic buildings. However, unlike Arts Council England, it is unlikely to do so in practice.
- The Charity Bank, Ecology Building Society and Triodos Bank are included on the FFHB website because they are more likely than mainstream commercial lenders to consider requests for mortgages or loans involving the restoration of historic properties. However it is understood that such loans are normally granted at full commercial rates. There is therefore little or no element of subsidy and therefore no value to be included in this report – although in the nature of their business they do grant loans which might otherwise not be available.
- The Inland Waterways Association can make grants towards the repair of historic buildings provided they are closely associated with the country's waterways system. A small number of such grants have been made in the past. However no relevant grants were awarded in either of the two years under review.
- The Landfill Tax Credit Scheme : Under the Landfill Tax Credit Scheme (regulated by Entrust) introduced in 1996, landfill operators can redirect up to 20% of their tax liability in any year to fund environmental projects undertaken by approved environmental bodies. Projects

(which must usually be within a 10 mile radius of a licensed landfill site) can include the maintenance, repair or restoration of a building or other structure which is a place of religious worship or of historic or architectural interest. In aggregate, awards totalling £4.226 million were made under the terms of the scheme to 558 projects involving repairs or renovations to historic buildings in England in 2002 and to 519 such projects totalling £1.763 million in 2003. This scheme has made a major contribution to the built heritage sector in the past, although its future remains in doubt.

- Mobile Telephone Aerial Installers : This somewhat esoteric heading is included in the FFHB website because rental income from aerial installers can provide a welcome source of additional income for churches with tall towers²⁵ in strategic areas. Although no aggregate data is collected centrally, it has been estimated²⁶ that total church rentals from this source amount to approximately £6 million per annum. There is no restriction on the use of such revenues, and it is therefore not possible to say with any certainty how much of this sum is applied towards repair and restoration work. There are no estimates of the rental earned by other (secular) tall historic buildings although the figure is likely to be minimal.

13. Overall Conclusions and Observations

13.1 A straight summation of the data set out in Sections 5 – 12 above (excluding the National Trust – see para. 9.2) yields a figure of approximately £318 million for total expenditure in 2002-03 (excluding any contribution from the Regional Development Agencies, for which no figure is available for the earlier year – see Section 6) and approximately £355 million in 2003-04 (including £9.8 million from the RDAs).

13.2 Grants by the Heritage Lottery Fund are not simply the largest single contributor to these totals; they are larger by a considerable margin than the totals of all other contributions in both periods, accounting for 64% of the total in 2002-03 and for 62% in 2003-04.

²⁵ And other tall buildings.

²⁶ By the Church of England Telecommunications Working Party.

13.3 While the totals shown in para. 13.1 above clearly understate the total expenditure on repairs and renovations to historic buildings for all the reasons set out in Section 3, there is absolutely no cause for complacency.

13.4 Grants from the largest dedicated source (the Heritage Lottery Fund) are under threat from a number of directions. Not only is the Fund moving away from supporting repairs and renovations *per se*, but this is taking place against a background of shrinking total National Lottery revenues and pressures to divert allocations to other initiatives altogether.

13.5 When revenues from the National Lottery first came on stream, a number of the largest private trusts which had hitherto been supporting the built heritage, understandably turned their attention elsewhere, to other needy charitable objectives. In conversations with people closely involved, it is evident that even if Heritage Lottery Fund allocations to the built heritage decline in the future, many of these trusts are unlikely to be prepared to reverse their own grant-making policies to fill the gap.

13.6 In any event, grants from these and other dedicated and special sources together amount to relatively modest amounts by comparison to Lottery funding streams and these too are under pressure for a variety of external reasons, such as reduced yields from the trust funds which support their activities. Through no fault of their own, the dedicated trusts are increasingly unable to meet the requests for assistance; in fact their own grant-making abilities are declining at the same time as demand is increasing. The experience of the FFHB initiative in monitoring the sector, is that more existing charitable trusts are winding down as their resources are exhausted, than new ones are coming on stream to replace them.

13.7 Grant-aid from local authorities is also under pressure as the authorities struggle to meet their other financial obligations.

13.8 Looking at the funding pool as a whole, a significant proportion of the total funding potentially available to historic buildings is discretionary rather than mandatory. Further, trusts can and do review their charitable objectives on a regular basis, and even those trusts which have provided substantial support over a period of years past, may cease to do so in the future.

13.9 Against this depressing background, it is ironic that some of the most substantial grant-aid support for historic buildings at the present time comes from regeneration funding, in other words from funding programmes that have no interest in historic buildings *per se*, but are prepared to support their repair or restoration only if it can be presented as an integral part of a community regeneration project.

13.10 It is difficult to reconcile the fact that this uncertainty as regards funding support comes at a time when public interest in historic buildings has never been greater – as witness the success of BBC television’s “*Restoration*” programme and its successor, “*Restoration II*”. Although these programmes are to be congratulated on bringing the plight of a number of historic buildings to the attention of the public, it is surely to be regretted that the restoration of historic buildings may be largely dependent on the uncertain outcomes of such “winner takes all” campaigning rather than on a more carefully and systematically orchestrated long-term approach.

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Appendix A Summary of Grant Totals

Source	Previous Year (£ million)	Latest Year (£ million)
Listed Places of Worship Grant Scheme	£6.000	£10.000
Aggregate Levy Sustainability Fund	£0.162	£1.117
DEFRA Countryside Stewardship & ESA	£5.063	£8.024
Countryside Agency LHI	£0.000	£0.000
ODPM	£0.000	£0.000
LA Borrowing Approvals	£0.800	£0.650
LA Conservation of Historic Environment	£37.860	£30.924
EU Culture 2000	£0.125	£0.134
RDAs (incomplete)	n/k	£9.800
ERDF (incomplete)	£5.322	£19.522
County Historic Churches Trusts (grossed-up)	£2.790	£2.903
Allchurches Trust	£4.000	£4.000
AHF (grants + value of loan subsidy)	£2.165	£1.516
Cathedrals Fabric Commission	£0.010	£0.042
Council for the Care of Churches	£0.500	£0.530
Churches Conservation Trust	£4.300	£4.300
Historic Churches Preservation Trust	£1.043	£1.746
Inc. Church Building Society	£0.162	£0.200
Repair Grants - excl. to avoid double counting	£0.000	£0.000
English Heritage	£25.758	£24.029
Friends of War Memorials (excl. as above)	£0.000	£0.000
Heritage Lottery Fund	£203.000	£220.000
Leeds Church Extension Soc. etc, say	£0.010	£0.010
World Monuments Fund	£0.162	£1.050
National Trust	n/a	n/a
General Private Trusts (grossed-up)	£7.236	£5.930
Hull & East Riding	£0.006	£0.010
Oxford Preservation Trust	£0.007	£0.018
Railway Heritage Trust	£0.909	£0.894
Landfill Tax Credit	£4.226	£1.763
Mobile Telecommunications	£6.000	£6.000
Totals	£317.616	£355.112

«Correspondent», «Position»
«Organisation»
«Address1»
«Address2»
«Address3»
«Town», «County», «Postcode»

12 July 2004

Dear Colleague,

Heritage Counts

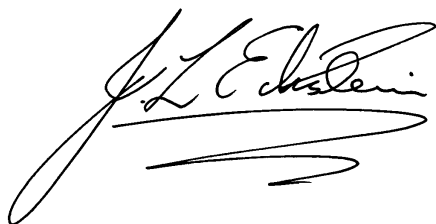
As you may be aware, I am responsible for maintaining the content of the Funds for Historic Buildings (FFHB) website, on behalf of the Architectural Heritage Fund. This website provides information about funding support given by various grant-making trusts and other bodies for repair and restoration work in this sector.

I have now been asked by English Heritage to expand on certain aspects of this information. In particular, they are anxious to determine the total value of grants offered during the past two years specifically for projects involving the repair or restoration of historic buildings. This is a material strand of their *Heritage Counts* initiative, and the results will be very important in terms of the heritage sector's ability to lobby for additional funding. Some organisations already provide this information, but in the majority of cases the information is either not given, or else an aggregate figure is stated which includes grants covering broader categories of charitable support which are not relevant to this particular enquiry.

In order to help us arrive at a realistic estimate for the purposes of *Heritage Counts*, I would be grateful if you would please answer the enclosed questionnaire as fully as possible, and return it to me using the pre-paid return envelope provided **no later than Friday 23rd July**. Please feel free to contact me at the above number if you have any questions about this survey. Or if you would like to know more about Heritage Counts, please contact Ben Cowell at English Heritage (020 7973 3730) or else visit the website at <www.heritagecounts.org.uk>.

English Heritage and I would like to thank you for your assistance in this exercise.

Yours sincerely,



Jeremy Eckstein

Heritage Counts

This survey is being carried out on behalf of English Heritage, for the purpose of determining the total level of financial support for projects involving the repair or restoration of historic buildings in England during the past two years. The term “historic buildings” should be taken to include all manner of historic buildings, listed and unlisted, religious and secular.

- If you are not yet able to provide the information for the two most recent years, please do so for the most recent full accounting periods for which you have the information readily available.
- If you are not able to provide precise figures, please estimate the answers; if you only have figures for one year, please provide them.
- We are only interested in grants made for repairs and restoration. Please do not include grants made towards routine maintenance.
- Please only provide the information for projects you supported which were based in England (include the Isle of Wight, Channel Islands etc if relevant). Do not include any projects based in Scotland, Wales or Northern Ireland.
- Please provide information in respect of grants actually paid during the period in question, regardless of when the work was carried out. Include grants approved in earlier periods but paid during the year in question; exclude grants approved during the year in question but not yet taken up.
- If your grants extend to cover VAT payable on the repairs, please include the VAT element in your replies.
- If more than one grant was paid to any given project during the year, please aggregate the amounts paid and treat them as a single grant if they were clearly continuation payments for the same project, but treat them as separate grants if they related effectively to different projects on the same building.
- These notes are intended to cover most likely questions and potential sources of ambiguity, but if in doubt, either call Jeremy Eckstein on 020 8445 4334, or use your own discretion!
- Finally, please complete and return this questionnaire no later than **Friday 23rd July**.

1. Name of your trust / organisation _____

2. To which two successive 12-month periods does the information relate
Year 1 _____ Year 2 _____

3. How many grants did you award during the two periods towards the repair or restoration of historic buildings
 - Year 1 _____
 - Year 2 _____

4. What were the total values of these grants
 - Year 1 £ _____
 - Year 2 £ _____

5. Approximately what proportions of the values of grants in Question 4 went to (a) secular and (b) religious buildings
 - Year 1; Secular ____ % Religious ____ %
 - Year 2; Secular ____ % Religious ____ %

6. Approximately what proportions did the values of grants in Question 4 represent in terms of the total value of grants awarded during the periods across all your charitable objectives
 - Year 1 _____ %
 - Year 2 _____ %

Please provide a contact name and phone number in case we need to refer back to you with any questions:

Thank you once again for your co-operation.

Please return this completed questionnaire to Jeremy Eckstein, 7 Chandos Avenue, London N20 9ED, using the envelope provided, no later than Friday 23rd July.