

**Access to
properties
grant-aided by
English Heritage**

Report by the
Comptroller and Auditor General

Access to properties grant-aided by English Heritage

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John Bourn
Comptroller and Auditor General

National Audit Office
4 April 2000

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Executive summary

1 This report is about how English Heritage promote people's enjoyment of historic buildings. English Heritage receive an annual grant-in-aid from the Department for Culture, Media and Sport (the Department) and in the last three years alone they have awarded £24 million in grants towards the repair of historic secular buildings. Grant recipients include public bodies such as local authorities, charitable bodies, private owners and conservation groups such as building preservation trusts.



2 Specifically, we looked at how English Heritage go about making grants and, in particular, at how their requirement that owners of grant-aided properties provide access to the public works in practice. So the report focuses on one of the Government's key objectives, which is to achieve wider public access to all aspects of the work that the Department fund.

3 To test the access arrangements, with the co-operation of English Heritage we conducted a postal survey of grant recipients, and complemented this by using consultants to conduct a "mystery shopper" survey – which included visits to properties. In this way we simulated, so far as possible, the conditions under which a member of the public might seek to gain access to a grant aided property.

4 Our main findings are summarised below:

(a) On the information about access arrangements

English Heritage have recently taken action to improve the accuracy and public availability of information about the arrangements for access to individual properties. They have still to confirm the access position for about a fifth of the 551 properties they originally identified as having access obligations, but have the work in hand. Meanwhile, in publishing their own access guide they have taken control of a key access enabler. And by publishing it on their website (www.english-heritage.org.uk) they have made it available in the most modern medium – although finding the information is not straightforward. As English

Heritage have not in the past carried out physical testing of access themselves, they have not been in a position to pursue owners who might not be complying with access requirements (paragraphs 2.5 to 2.9).

(b) On the extent and cost of access to properties

Despite their aim of providing access, English Heritage have little information on the number and cost of visits. The results of our work suggest that 90 per cent of properties have been visited by members of the public in the last year, with wide variations in visitor numbers probably reflecting to an extent the different types of properties. Similarly, there were variations in the cost of visits, with just under half the properties not charging at all and most others charging £4 or less. English Heritage now provide advice on their website about how to complain about access problems, but do not do so in the paper version (paragraphs 2.10 to 2.12).

(c) On the ease of arranging visits

In the large majority of cases properties were open to the public, in accordance with the grant conditions. But being unable to contact a property is a barrier to access, and this occurred in a significant minority of cases. And in 12 cases where access was refused, either English Heritage's records are wrong or it appears that grant recipients are not complying with their access conditions. For the properties where an appointment to visit was required (some do not require an appointment) 86 per cent required less than two weeks notice and over a half required less than a week, and arranging visits was generally quite easy – with most owners friendly and accommodating (paragraphs 2.13 to 2.17).

(d) On the experience of visiting properties

Having arranged visits, on turning up at properties our mystery shopping consultants were able to gain access in every case, and on the majority of their visits they were made welcome. The accessibility of car parking and wheelchair access is a matter for owners, but English Heritage have issued guidance to them, and to help prospective visitors English Heritage have provided information about these facilities in their new access guide. The guide probably understates the ease of parking, with most properties having parking nearby, but it appears to overstate the availability of wheelchair access (paragraphs 2.18 to 2.24).

(e) On the perspectives, of owners and representative bodies

We thought it important to seek the views of property owners and managers, and leading organisations active in the world of historic properties on the operation of arrangements for public access. The overwhelming majority of owners and managers who responded to our survey thought that members of the public showed respect for property, although eight per cent had concerns about the security risk of opening to the public – a concern also mentioned by the Association of Preservation Building Trusts. The Historic Houses Association and the Country Landowners Association thought that English Heritage’s access requirements strike an appropriate balance between satisfying public demand for access and enabling owners to apply for repair grants, but thought that more rigorous access requirements would adversely alter this balance (paragraphs 2.25 to 2.29).

(f) On grant giving

English Heritage have published criteria for assessing whether grant support is appropriate and take into account public funding from other sources in determining grant awards. They also have procedures to ensure that the financial need for grant aid is assessed in all cases. In 20 of the 50 cases we examined, their procedures also require this assessment to be supported by a financial appraisal of the applicant’s means to establish how much the applicant can be expected to contribute. In five cases a detailed appraisal had not been done. English Heritage require grant aided work to be awarded on the basis of competition except where action is required as a matter of emergency or where it is considered more cost-effective to re-appoint existing contractors and they have appropriate arrangements for ensuring that grants are issued on the basis of work actually done (paragraphs 3.2 to 3.6, 3.9 to 3.11, and 3.13 to 3.16).

Our conclusions and recommendations

5 The great majority of grant recipients seem to be complying with the access conditions attached to their grants, and in an example of modern government, English Heritage have aided public access by making their new access guide available in electronic form. However, the access position remains unclear for a significant number of properties and in a minority of cases our consultants encountered practical obstacles to access.

6 English Heritage have appropriate arrangements for assessing the financial need for grants including, where appropriate, an appraisal of the applicant's ability to contribute to the costs involved. But, as the arrangements for appraising applicant's means are not being followed in all cases, where this is required, there is the risk that money is not always used to best effect.

7 In the light of our findings we recommend that English Heritage:

- Press ahead with the work they have already begun to ensure that they have a full and reliable record of which properties access conditions apply to;
- Monitor trends in the number of visits to properties to gauge whether they are achieving their access objectives;
- Physically test the access arrangements in ways which simulate the experience that a member of the public might have to be able to pursue owners who might not be complying with access requirements. The techniques we have used for this piece of work could also be applied by English Heritage;
- Consider what more can be done to capitalise on their initiative of developing a new access guide. For example, by making their website information more accessible;
- Ensure that in all cases grants are awarded on the basis of a financial needs assessment which includes, where appropriate, an appraisal of the applicant's means.

Part 1: Introduction

1.1 This report is about how English Heritage promote people's enjoyment of England's historic buildings. In particular, it examines how English Heritage's requirement that owners of grant-aided historic secular properties provide access to the public works out in practice. The report focuses on the progress English Heritage are making in meeting one of the Government's key objectives, which is to broaden access for this and future generations to our distinctive built environment.



1.2 English Heritage's principal activities include awarding conservation grants towards the cost of the repair or maintenance of ancient and historic properties, the management and conservation of over 400 ancient and historic properties in their direct care, and the provision of advisory and education services. English Heritage employ some 1,379 staff, and in 1998-99 they received some £104 million in grant-in-aid from the Department for Culture, Media and Sport.

1.3 The Chief Executive of English Heritage is appointed by the English Heritage Commission and as Accounting Officer by the Accounting Officer for the Department for Culture, Media and Sport. English Heritage has a board of Commissioners, known as the Commission, that consists of 17 members, and includes the Chairman. Figure 1 shows the funding and accountability framework into which English Heritage fits.

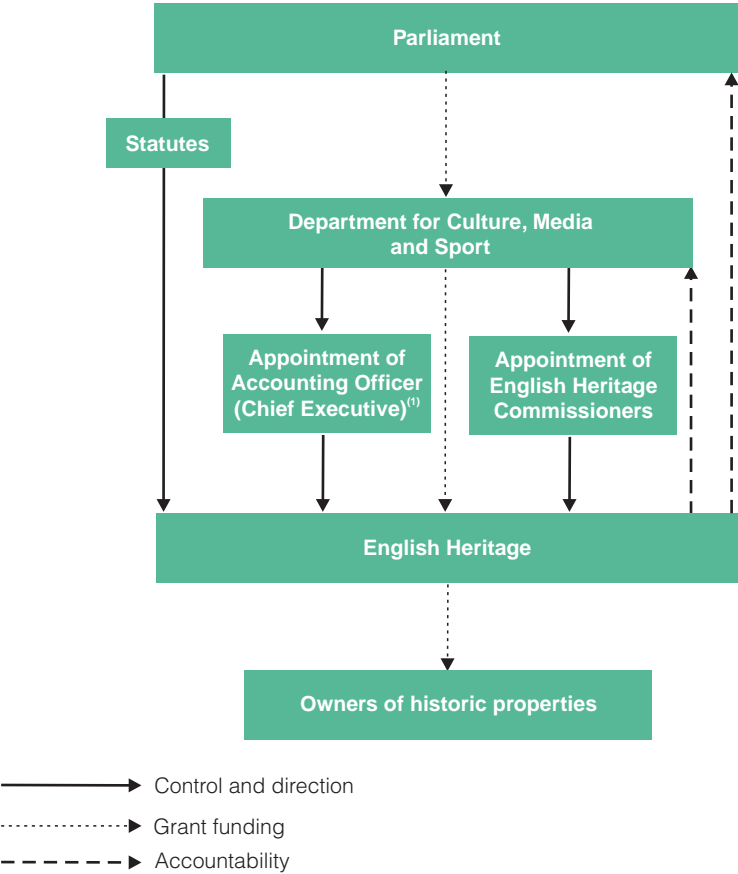
English Heritage repair grants

1.4 English Heritage make grants under the Historic Buildings and Ancient Monuments Act 1953 towards the cost of the repair of buildings of outstanding historical or architectural interest. Grant recipients include public bodies such as local authorities, charitable bodies, private owners and conservation groups such as building preservation trusts. In 1998-99, English Heritage made 114 offers of building grants for secular properties totalling some £7.52 million, the focus of our study.

Flow of grant funding
and accountability

Figure 1

English Heritage are accountable to Parliament and the Department for Culture, Media and Sport for the way they use grant in aid.



Note 1: The Chief Executive of English Heritage is appointed by the English Heritage Commission and as Accounting Officer by the Accounting Officer for the Department for Culture, Media and Sport.

1.5 The principle of providing access in return for grant aid was explicitly provided for in the Historic Buildings and Ancient Monuments Act 1953. English Heritage attempt to balance this broader community interest with the conservation needs of the grant-aided building, and the interests of the owners of private properties, many of whom use these as their place of residence. Without the active co-operation of those who own or manage historic properties, and their continued willingness to commit themselves and their own funds to the costs of conservation repair, English Heritage would fail to achieve their primary purpose which is to keep these buildings in good condition.

1.6 Grant recipients include public bodies such as local authorities, charitable bodies, private owners and conservation groups (known as building preservation trusts). Conditions attached to these grants, which apply for 10 years from the grant being made on grants of £100,000 or less (with longer periods for larger grants), require recipients to provide public access to the property and, if they sell the property, to repay some or all of the grant. English Heritage vary the public access conditions attached to grants made to owners of historic buildings to take account of the type of owner, the type of building, its preservation need and the value of the grant. For some buildings, especially those which are family homes, access must be arranged in a way which also meets the needs of the building and of those who live in it.

What we did and how we did it

1.7 The main thrust of our work was to find out how access to grant-aided historic secular buildings works in practice. We did not examine the other grant schemes run by English Heritage such as the grants for the conservation of monuments, churches and cathedrals, archaeology, or grants for conservation areas, which have varying access requirements. Specifically, we examined:

- access to grant-aided properties (**Part 2**);
- English Heritage's making of grants for the repair of historic secular buildings (**Part 3**).

1.8 The methods we used, including our evaluative criteria, are described fully at Appendix 1. The elements are:



a postal survey of grant recipients required to allow public access. The survey sought information on, among other things how existing access arrangements operate. This was complemented by a further survey, using the “mystery shopper” approach, including visits to a statistically representative sample of properties where access is by appointment. We employed a firm of market researchers, BMRB, to advise us on the design of this work and to carry out the mystery shopping;



consultation with representatives of owners of historic houses - the Historic Houses Association, the Country Landowners Association and the Association of Preservation Trusts;



examination and analysis of a representative sample of 50 grants selected randomly from across four of the English Heritage regions.

1.9 We consulted the Market Research Society and the Consumers’ Association who confirmed our view that mystery shopping would be an appropriate technique in determining the reaction the public would receive when seeking access to these properties. However, while anonymous testing is a key element of mystery shopping, we instructed the consultants acting on our behalf to declare, if challenged, that they were working for the National Audit Office and the nature of our study. It is a requirement of the Market Research Society Code of Conduct that individual owners surveyed will not be identified, and to ensure that they are not adversely affected as a result of this exercise. As a result, individual grant recipients are not identified in the section of our report which deals with the results of our mystery shopping.

Part 2: Access to properties

Introduction

2.1 This part of the report examines English Heritage's arrangements for publicising access arrangements at grant-aided properties and how access to grant-aided properties works in practice.



2.2 Government policy is to “broaden access for this and future generations to our distinctive built environment”. Consistent with this, English Heritage's policy is to seek to ensure that their programmes and activities are accessible to everyone, wherever practicable. They aim to provide dignified access to their own estate whenever this can be reasonably done, and encourage others who own or manage historic buildings, other heritage properties, to adopt access plans which are consistent with the special architectural, historic, or archaeological character of the property concerned.

2.3 To obtain information on how access to grant-aided properties works in practice we carried out two exercises:

- We sent a questionnaire (*“our questionnaire”*) to all eligible properties included on the English Heritage website seeking information on the access arrangements. We sent out 320 questionnaires and received 286 (89 per cent) responses;
- We complemented our questionnaire with an approach known as ‘mystery shopping’ (*“the mystery shopper survey”*). Our aim was to obtain first-hand evidence of how access works in practice. This technique involves simulating as far as possible the conditions under which a member of the public might seek to gain access to a grant-aided property. We commissioned consultants with expertise in mystery shopping to undertake this element of the fieldwork.

The methods used for these two exercises are explained at Appendix 1. The two exercises were designed in consultation with English Heritage. The results have provided English Heritage with information about how access arrangements work

in practice which was not previously available to them. As English Heritage have not, in the past, carried out physical testing of access themselves they have not been in a position to pursue owners who might not be complying with access requirements.

Types of access

2.4 English Heritage attach, normally for ten years, one of three main types of access condition to repair grants according to owners' varying circumstances - for example, the size and nature of the building:

- **access by appointment:** where the grant recipient must allow members of the public to have access to the building by prior appointment at all reasonable times either in writing or by telephone;
- **access for a specified number of days:** where the grant recipient is required to allow members of the public to have access to the building without prior appointment for a specified number of days in each year. This varies from 156 days a year for the grandest buildings to 28 days a year for the smaller ones;
- **access by virtue of use:** this condition is normally applied to buildings already subject to some measure of public access by virtue of their use (for example museums, railway stations etc).

In view of the fact that 'by virtue of use' properties are by their nature regularly open to the public we excluded them from our testing of how access works in practice.

Publicising the access arrangements

2.5 In 1994 English Heritage published the first of an annual list of buildings which had received an offer of grant detailing the type of access condition applied. For 1996 onwards they introduced a condition in their grant letter that required the grant recipient to complete and send to English Heritage an annual public access declaration that confirmed that the building was open as required and that its opening arrangements were advertised in accordance with the requirements of the grant letter by:

- Advertising their opening arrangements annually in at least one of four specified national historic house publications;

- Notifying the English Tourist Board and the regional tourist board of these arrangements;
- Erecting and maintaining a notice outside the main entrance to the building displaying the opening arrangements.

2.6 Early in 1999 English Heritage took steps to improve public information about access arrangements at grant-aided properties. They decided that they needed to publish an annual access guide, and that to allow ready updating they would hold the information on a computerised database. They had recognised that the existing annual lists of grant offers were not readily usable by prospective visitors because: they recorded grants offered not grants actually made; they did not specify detailed access arrangements attached to the grant offer; and they did not provide the full addresses of grant-aided properties. Also, an exercise undertaken by English Heritage in late 1998 had shown that over 20 per cent of owners were not complying with the requirement to advertise their opening arrangements annually in one of the four national historic house publications.

2.7 To ensure that they based their new arrangements on up to date information, in March 1999 English Heritage wrote to the 551 people who, according to their records, had received a grant since 1984 and whose grant conditions required them to open to the public by appointment or on a specified number of days. As shown in Figure 2, they subsequently agreed in 89 cases that the access condition no longer applied. They are following-up those cases where they believe access conditions still apply but they did not receive a response (93 cases), or where the questionnaire was returned 'not known at this address' (8 cases). This is particularly important because non-responses could indicate that the grant recipient has disposed of the property, which would trigger the recovery of the grant under the claw-back clause (paragraphs 3.17 to 3.20 refer). English Heritage are still considering some responses, but they concluded that 339 of the properties should be included in their new access guide.

**Breakdown of English
Heritage's consultation
exercise**

Figure 2

Access conditions no longer apply		
■ More than 10 years have elapsed since the grant was made	63	
■ Lapses on death of recipient	5	
■ Lapses on sale or transfer	12	
■ Other exclusions (including grants cancelled, repaid and some properties consulted in error)	9	
Total		89
Access conditions still apply but no effective response		
■ No reply	93	
■ Not known at this address	8	
Total		101
Cases not resolved		12
Original grant-aided work complete, but further repair work in progress		7
Returns included in the 1999 English Heritage access guide		339

2.8 English Heritage have identified some differences in the detail of the access requirements between their own records and the responses to their questionnaire, and recognise that they need to fully validate the information gathered from their questionnaire. They are now doing this, but they took a balanced judgement that it was best to make publicly available the information they had as soon as possible. English Heritage posted their new access guide, which shows the opening arrangements for grant-aided properties, on their Website (www.english-heritage.org.uk) in August 1999. And, after competition, in November 1999 they published the guide in a commercial historic house directory (the year 2000 edition of "Hudson's Historic Houses and Gardens"). As they will now publish the access guide annually, English Heritage have withdrawn the standard condition in their grant letter that required grant recipients to advertise their opening arrangements. The number of properties included in the access guide in each region is shown in Figure 3.

Figure 3

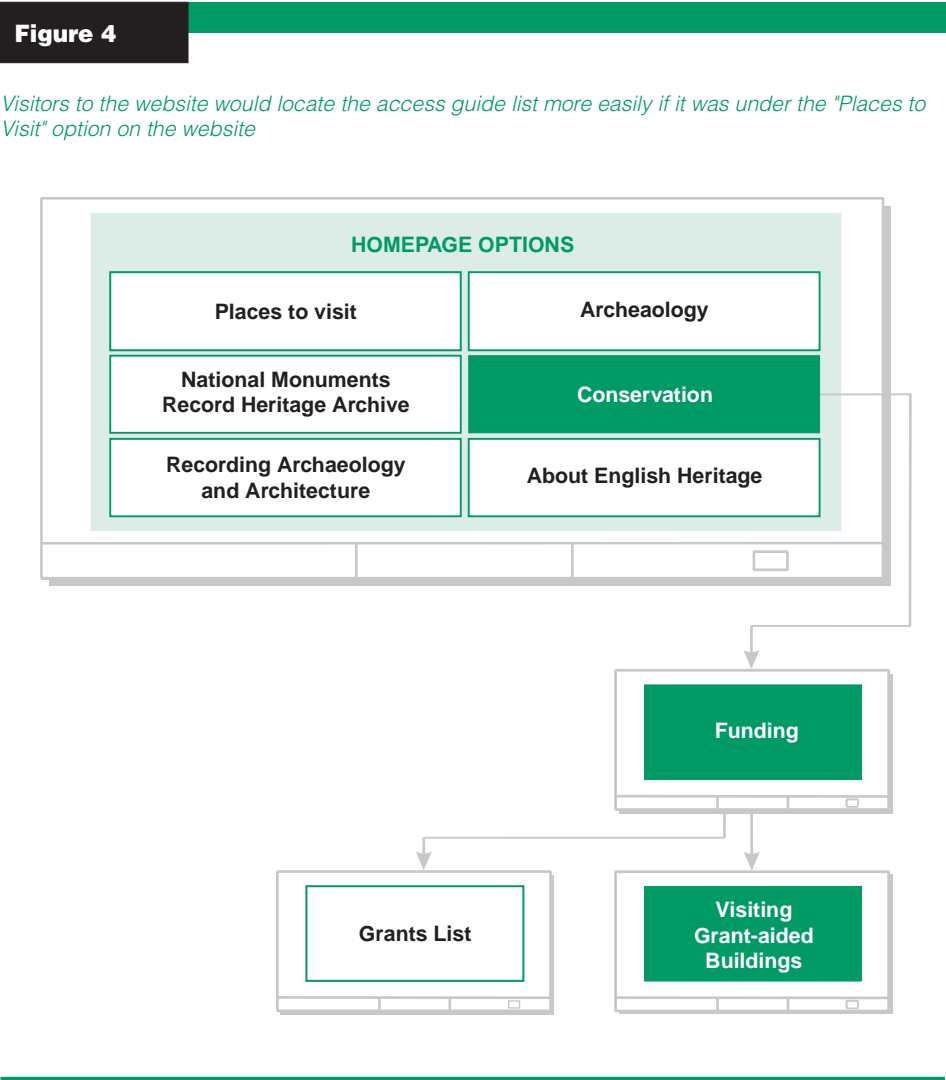
The number of properties included in English Heritage’s access guide



Source: English Heritage's website

2.9 Although having a single access guide provides a visitor-friendly method of promoting access to grant-aided properties, we noted that locating the relevant section on the English Heritage website which lists the properties available for public viewing is not straightforward. The properties are not listed in the obvious place – which is labelled “Places to visit”. Instead, to find the grant-aided properties on the website, visitors have to go to the “Conservation” area of the site, and click on an icon marked “Funding” to get to the link to take them to the area called “Visiting grant-aided buildings” (Figure 4).

Location of the access guide on the English Heritage website (www.english-heritage.org.uk)



Key points

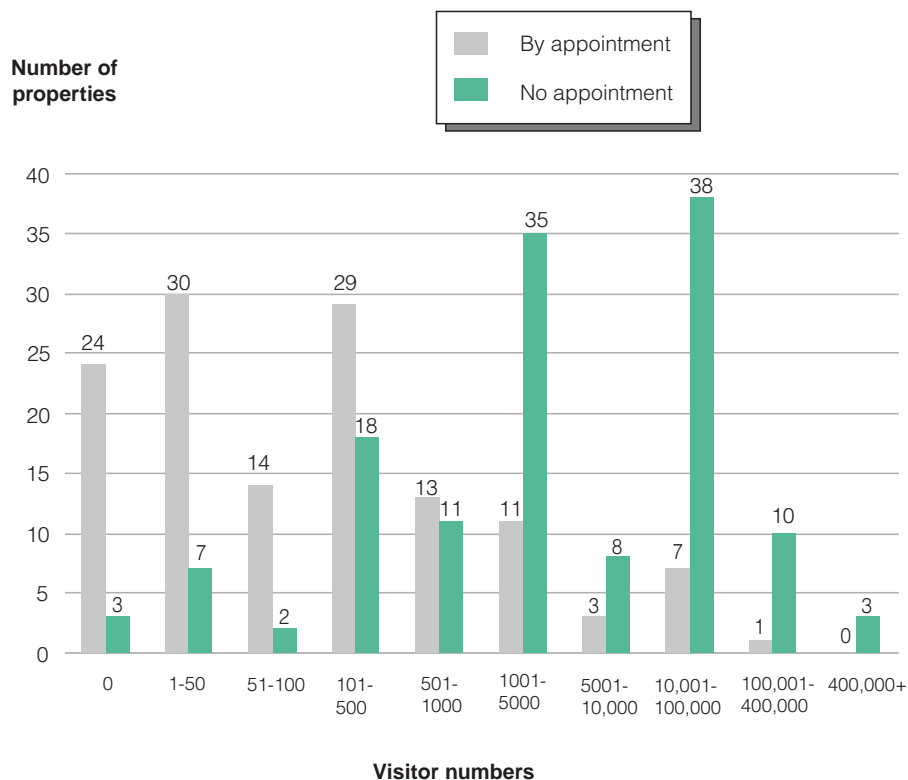
- English Heritage have taken action to improve the accuracy and availability of information to the public about arrangements for access to grant-aided properties.
- They have still to confirm the access position for about a fifth of the 551 properties they originally identified as having access obligations, but have the work in hand. This is particularly important for the 101 cases where the grant recipient has not responded, as this could signify a change of owner which would trigger the recovery of grant.
- In publishing an access guide themselves, instead of relying on grant recipients to publicise access arrangements, English Heritage have taken direct control over a key access enabler which previously had not been universally observed.
- Finding access arrangements on English Heritage's website is not straightforward and could be made more visitor-friendly.
- As English Heritage have not in the past carried out physical testing of access themselves, they have not been in a position to pursue owners who might not be complying with access requirements.

The extent and cost of access to grant-aided properties

2.10 Although promoting understanding and enjoyment of the heritage is one of English Heritage's statutory functions, they have little information about the number and cost of visits to grant-aided properties. We used our questionnaire to obtain this information for the year to 31 July 1999. We found that ninety per cent of properties had received visitors in the period. While some properties have received no visitors, three had each received more than 400,000 visitors (Figure 5). Properties where an appointment was required tend to receive fewer visitors than those where no appointment is necessary - this is not surprising as by-appointment properties tend to be smaller and some potential visitors may be put off by the need to make an appointment.

Visitor numbers profile
according to type of
access condition

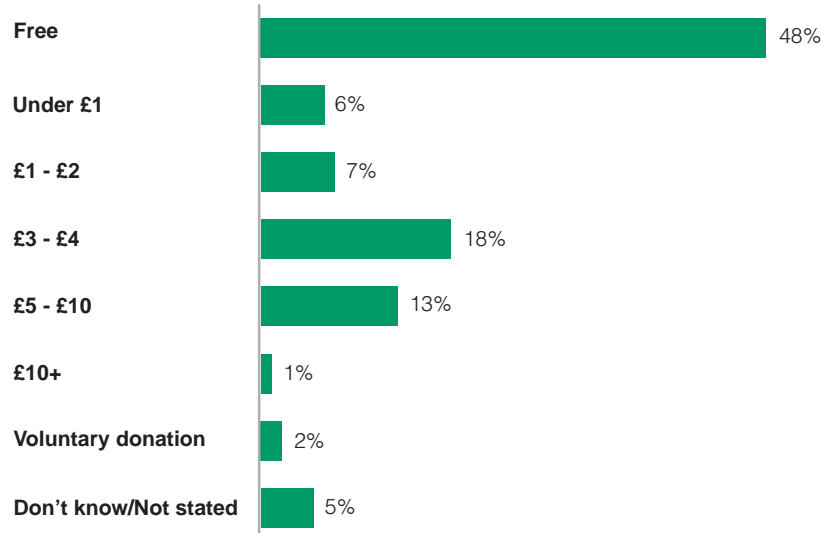
Figure 5



2.11 English Heritage recognise that owners of grant-aided properties may incur costs in allowing public access such as security, guides, ticketing, signage etc, and that they also have an on-going financial liability in maintaining their historic property. They accept that charging to offset such costs is reasonable provided that the charge is not set so high that it acts as a deterrent to members of the public. At present, however, they have no record of how many or how much entry charges are at grant-aided properties. We therefore used our mystery shopper survey to find out how much it cost to visit each property, and Figure 6 summarises the results. Almost half of the properties did not have an entry charge, and for those that did, most charged £4 or less. In two cases £50 or more was charged for a visit - our consultants were told:

“The House is a minimum of £100 for a tour, usually only for groups. Only £5 for the hydroponicum and garden.”

“It is really only access for groups by appointment and the charge is £50. In the unlikely event that you still want to visit, it would cost you £50, but you would not be able to come on the day you requested as it is too short notice.”

Admission price
charged at properties**Figure 6**

2.12 To be fully responsive to the needs of owners and the visiting public, it is important that English Heritage have clear arrangements for identifying and dealing with any concerns. They informed us that they had only occasionally received complaints, but we found that they do not keep a central register of complaints, and until the introduction of their website they had not publicised details of how to register a complaint. The website version of the access guide now includes a note requesting that members of the public inform a central English Heritage contact point if they have problems, but the version published in the Hudson's directory does not include such advice.

Key points

- Almost half of the properties do not have an entry charge and for those that do, most charge £4 or less. There are, however, a small number that charge significantly more.
- English Heritage now include advice on their Website about how to complain about access problems, but not in the paper version of their access guide.

Getting in touch with the property

2.13 In the mystery shopper survey, our consultants sought to contact by letter or telephone the named contacts listed on the English Heritage website to enquire about arrangements for visiting their property. They managed to contact 275 (87 per cent) of the properties on the website, but were unable, despite trying over

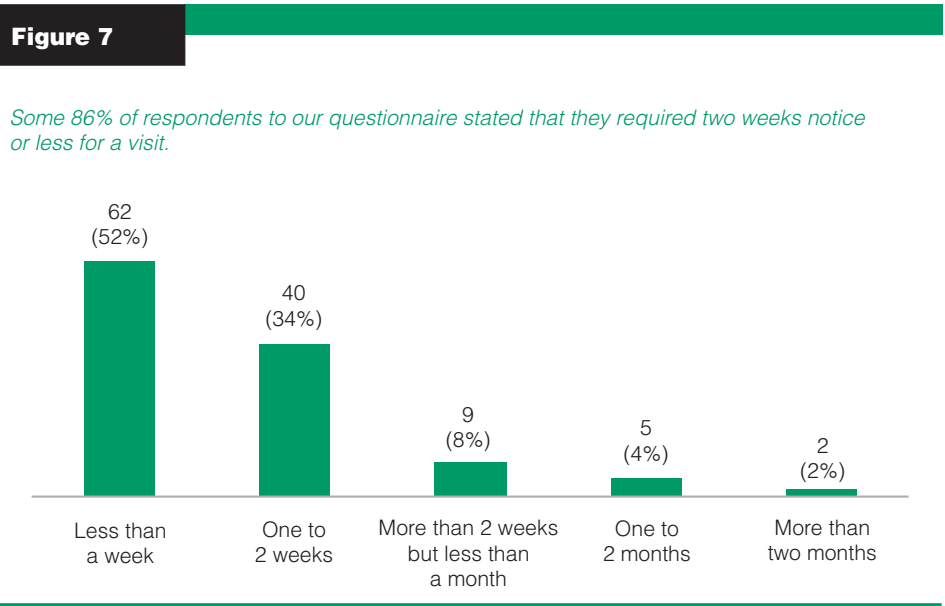
a three week period, to establish contact with the rest and were therefore unable to arrange a visit. Our analysis of the 29 access by appointment properties which they were unable to contact showed that 27 required appointments to be made in writing, suggesting that members of the public are likely to be more successful in contacting properties if the initial approach can be made by telephone.

2.14 Of the 275 properties that our consultants did manage to contact, 256 (94 per cent) confirmed that they were open to the public. Four properties where no appointment was required were closed because the opening period for the year had ended, and another three were not open because renovation work was in progress. Although English Heritage had confirmed the access arrangements with recipients (paragraphs 2.7 and 2.8), in the remaining 12 cases where access was refused, it appears that recipients are not complying with their access conditions, or the information on the website is wrong.

The ease of making an appointment

2.15 As a potential barrier to access could be the length of notice required prior to a visit, our questionnaire asked access by appointment properties how much notice was required. The results in Figure 7 show that although a small minority required notice of a month or more, 86 per cent of respondents required less than two weeks notice for appointments. Moreover, just over half of respondents were prepared to arrange for access to be provided even when the property owner or manager was not at the property. Our consultants had a similar experience when contacting properties as part of the mystery shopper survey.

Minimum notice required for a visit



2.16 For the mystery shopper survey our consultants tried to make arrangements to visit 80 of the 168 access by appointment properties. They managed to establish contact with 72 and in 57 of these cases the property owner or manager was able to accommodate a visit on the day requested. Ten offered other times, but four did not and in effect refused the request to visit. Overall, our consultants were able to arrange visits to 63 properties, and on turning up they were able to gain access. They were asked to rate how friendly the appointment call, or the reply to their appointment letter, had been. They rated 64 per cent of these initial contacts as very friendly and 25 per cent as quite friendly.

“I enclose instructions to find the house.... The house is lovely and I do like to show it off. I would very much look forward to welcoming you.”

Only 9 per cent of calls or letters were rated as being not friendly:

“Personal appointment needed with (name) and you will be escorted around by her”. (Interviewer comment – “she interrogated me as to the reason for looking around”).

2.17 Bearing in mind that our physical testing of access provided a snapshot at a point in time, we used our questionnaire to find out to what extent there might be restrictions on access at other times of the year. For the respondents who answered our questions about this we found that:

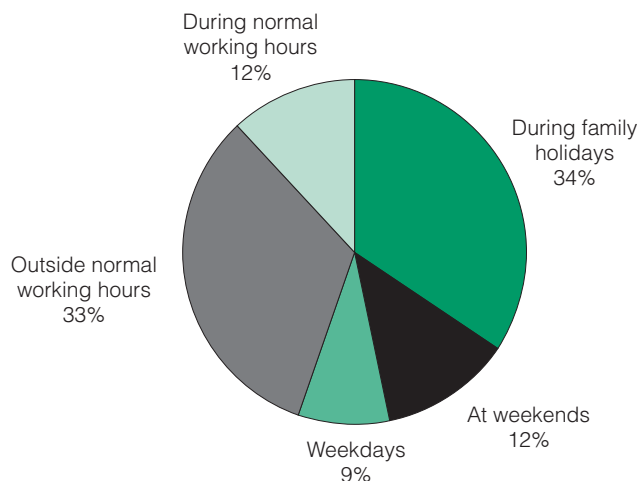
- 86 respondents (74 per cent) indicated that there were no particular times of the year when they discouraged visits. For the remaining 30, the most common response was to restrict visits in the winter months – ie outside the main holiday periods.
- 82 respondents (70 per cent) commented that there were certain times or days of the week, or family holidays, when the property would not be available for viewing. For the 58 who specified these times, the position is set out in Figure 8. Responses included:

“We do not allow visits when the buildings are let. Public visits are therefore normally restricted to changeovers between lettings - 1-2 days a week”

“Do not allow visits during busy times, i.e. lambing, haytime, shearing time, dipping, show days and auction mart days, and when cows are calving”

Periods when viewing is
not available

Figure 8



Key points

- In the large majority of cases properties were open to the public, in accordance with grant conditions.
- But being unable to contact a property to make an appointment is a barrier to public access, and this occurred in a significant minority of cases.
- In a few cases there appear to be differences between English Heritage's and owners' understanding of the access conditions, and English Heritage are looking into this.
- Arranging visits was generally quite easy, with most owners friendly and accommodating. There were some exceptions, which in those cases presented a barrier to access.

The visit itself

2.18 The interviewers who visited the properties as part of our mystery shopper survey were asked to rate the overall tone of the visit. On 81 per cent of the visits they rated the tone as very friendly and on a further 11 per cent they rated it as quite friendly. Property owners or managers were perceived as being friendlier at the visit stage than they had been at the time when making an appointment to visit. The following quote highlights one of the visits where the host was rated as very friendly:

"At the end of the visit we were offered coffee. We enjoyed a pleasant and informal chat in the kitchen over coffee. He obviously enjoyed showing us his house."

At a small proportion (five per cent) of visits, the atmosphere was rated as unfriendly. The following quote comes from one such visit:

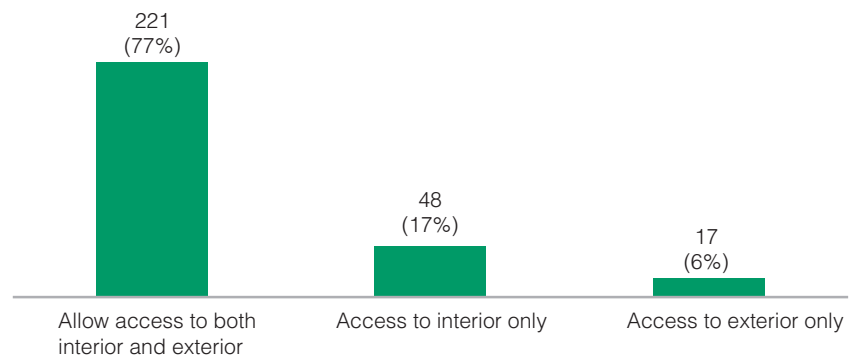
“(name) had nothing to say, he just opened it up and stood and waited for us to leave so he could lock up.”

2.19 English Heritage’s standard access condition does not specify which parts of the property are to be available for public viewing. English Heritage expect grant recipients to allow reasonable access to their property which should encompass the principal rooms and any specific features with particular “heritage” merits. We used our questionnaire to find out which parts of the property were available for public viewing. Figure 9 shows that the majority of respondents allowed access to both the interior and exterior of their property, though a significant minority (23 per cent) restricted access to one or the other.

Access to the interior and exterior of properties

Figure 9

Over three-quarters of respondents to our questionnaire provide access to the interior and exterior of their property



2.20 English Heritage’s website does not specify which parts of buildings should be available for viewing. But the entries for some properties do contain limited information on what the visitor can expect to see. On nearly nine tenths of their visits the mystery shoppers saw what they expected to see or more based on the website and additional information provided over the telephone or by letter when arranging the visit. The following quotes were taken from two such visits:

“(name) was a charming and informative host. I was shown two other restored barns as well as the tithe barn and given a full history... He also opened the church and gave me a tour of that. It was fascinating...”

“On the phone I was told I could only see the Main Hall. We were actually shown much more – library, chapel, and grounds. The English Heritage grant was only for the roof.”

2.21 Only on a tenth of visits did the mystery shoppers see less than they expected to see. For instance one wrote:

“I was told on the phone that I could look around the ground floor, but when I arrived some of the rooms were being used and were only accessible to staff.”

2.22 A talk, guided tour or written information on the property can add to the value and enjoyment of a visit. The majority of respondents to our questionnaire informed us that they provided some form of information during the visit (Figure 10), and this was supported by the experience of our consultants. The following quotes highlight the benefits that can be provided by having a knowledgeable host:

“The visit was extremely pleasant (name) showed us all around the property – explaining in great detail the history of the house.”

“A very interesting guided tour. He took us all over told us the history and pointed out the work done by English Heritage. There was a seven page handout to go with the tour.”

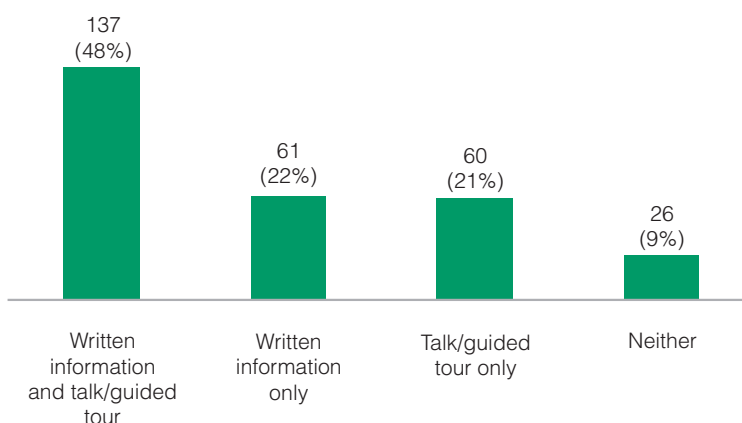
This can be contrasted with the following quote given by an interviewer who was not shown around:

“I learned nothing about the property from this visit, although I think there were quite a lot of interesting buildings.”

Information provided
during the visit

Figure 10

Over ninety per cent of the respondents to our questionnaire said they provide information during visits by members of the public



Key point

- The way in which a visitor is received to a property, including the information provided, clearly influences the value and enjoyment of the visit. The majority of owners or managers of properties were welcoming, and most provided written or oral information about properties.

The availability of facilities

2.23 English Heritage recognise that the diversity of grant-aided properties means that the facilities available to visitors will vary, but to help those who own or manage historic properties to strike a balance between conservation and access requirements, they publish a guidance note that is available to grant recipients on request, which includes access for the disabled, and advice on how to assess a historic property's access requirements and how to prepare an access plan for the property.

2.24 The new access guide on English Heritage's website provides information about car parking and wheelchair access. As part of the mystery shoppers' initial contacts with properties they asked about the availability of car parking and wheelchair access and compared this with English Heritage's website for the same properties. The results showed that:

- **car parking** was available at more than 80 per cent of properties, slightly more than suggested by the website.
- **wheelchair access** was in practice more limited than the website suggested. When contacting properties the mystery shoppers were told that 47 per cent offered full or partial wheelchair access, compared with 59 per cent on the English Heritage's website (which is based on returns from owners and managers). When actually visiting properties the mystery shoppers made their own assessments, and these were in general very close to what they had been told by the owners and managers of the properties. The value of wheelchair access can, of course, be reduced if there is no car parking available, and at the 35 properties where they considered there was wheelchair access the mystery shoppers found that nine did not have car parking.

Key point

- Most properties have car parking nearby, but English Heritage's new access guide appears to overstate the availability of wheelchair access.

The perspectives of the grant recipients

2.25 We thought it important to find out how property owners and managers felt about visits by members of the public. We found that an overwhelming number (96 per cent) of respondents to our questionnaire thought that members of the public showed respect for property and possessions. Some eight per cent had concerns that there was a security risk posed by opening to the public, reflected in their comments below, although most did not require proof of identity and/or references from visitors.

“Nearly all behave responsibly, but it is the few who do not which is a worry, as is security in general. Plants have been taken from the garden and I know others who have had things stolen from indoors, either during the visit or as a result of the visit”

“The majority of visitors show a respect for the building, however, we do have problems with vandalism as the building is fully open to the public Monday to Saturday”

“Most people do [show respect] although children are frequently poorly supervised and cause damage”

“We are concerned that the list of grant aided properties issued by English Heritage might get into the hands of criminals who could arrange visits to assess security arrangements / contents.”

Key point

- Visitors are generally well behaved, although some owners and managers have concerns about security.

The views of representative bodies

2.26 Before embarking on our two surveys of properties we consulted the following organisations which represent the interests of owners of historic properties, and the main group associated with the conservation of such properties:

- the Historic Houses Association (represents the interests of 1,500 of Britain’s pre-eminent heritage properties);

- the Country Landowners Association (represents 50,000 landowners in England and Wales); and
- the Association of Preservation Trusts (the representative body for building preservation trusts).

2.27 The Historic Houses Association and the Country Landowners Association considered that English Heritage's current access requirements are well balanced to satisfy both public demand and at the same time to enable owners' to apply for repair grants. They were concerned that any more rigorous requirements could alter this balance and in so doing adversely affect the preservation of the heritage and the public access that is at present achieved. They emphasised that the retention of the by appointment system of access is essential to enable owners, particularly of smaller properties, to apply for grant aid as they considered that many of these owners will only be able to apply for grant aid if the viewing obligations continue to be by appointment.

2.28 The Historic Houses Association said they regularly remind their members of the importance of a punctilious response to requests for viewing and they considered that owners act properly in respect of their obligations. Both bodies considered it was important that the by appointment system is effectively policed by English Heritage, and that any owner who does not honour their obligation is appropriately penalised.

2.29 In addition, the Historic Houses Association and the Country Landowners Association welcomed the publication of grant recipients' opening arrangements on the English Heritage website and in the commercial historic house directory, although the Association of Preservation Trusts raised a concern about security.

Key point

- The representative bodies we consulted were supportive of the current access arrangements required by English Heritage.

Part 3: Grant giving

Introduction

3.1 This part of the report examines English Heritage’s arrangements for making grants for the repair of historic secular buildings. It is based on our examination of a representative sample of 50 grants selected from four of English Heritage’s nine regions. The numbers of applications considered and grant offers made over the last three years by English Heritage are shown in Figure 11.



Grant applications considered and offers made	Figure 11		
	Number of applications considered	Number of offers made	Amount offered £m
1996/97	279	107	6.55
1997/98	167	105	5.60
1998/99	177	114	7.52

Awarding grants

3.2 English Heritage’s funds are limited, so they target their resources where the need is greatest by assessing all applications for grant against the following published criteria:

- **The historic importance of the property** - only properties that are legally protected as listed buildings in grades I or II* qualify for grants.
- **The urgency and nature of the work** - grants are intended for major structural repairs that English Heritage consider are urgent or essential within two or three years.
- **The need for financial help** - English Heritage assess the need for grant support to ensure that public funds are required to get the necessary repairs done.

Financial appraisals

3.3 Regional grant teams decide whether to make a grant and at what rate, except where the application meets certain pre-determined criteria and qualifies automatically for a grant offer. In reaching a decision, grant teams receive advice from an internal panel - the Needs Assessment Panel - which is composed of six senior English Heritage staff including the Director of Conservation Policy, the Director of Finance, the Chief Property Adviser, two assistant regional directors and a senior accountant.

3.4 In general, English Heritage consider that it is reasonable to expect an owner or developer to carry out necessary repairs without help if the market value of the property in a repaired state matches or exceeds the cost of repairs. They may make a grant where the cost of repairs approaches or exceeds the open market value of the property in a fully repaired state, and in such cases, the rate of grant is a matter of judgement made by the regional team advised by the Needs Assessment Panel.

3.5 English Heritage consider that the market valuation approach is not appropriate in some cases. Repairs to buildings that have no beneficial use and do not contribute to the market value of the property, are eligible for grant at a standard rate of 40 per cent of the repair costs. For applications above this standard rate, English Heritage require their Management Accounts branch to undertake a financial appraisal of the applicant's means to establish how much the applicant can be expected to contribute. They also require a financial appraisal for buildings which form part of an historic estate (because they contain major collections of historically associated contents that would be dispersed if the buildings were ever sold, or they form part of a group of historically related buildings where character is best maintained by retaining common ownership).

3.6 We looked at whether English Heritage had undertaken financial appraisals during the award process in the 20 cases in our sample where one was required. We found that in each case the Needs Assessment Panel had considered and recommended what rate of grant would be appropriate. In 15 of these cases their recommendation had been informed by a financial appraisal undertaken by the Management Accounts branch, but there was no evidence of appraisals in the remaining five cases which involved grants totalling £531,667.

3.7 In each of the 15 cases where a financial appraisal had been carried out, the Management Accounts branch had advised that the applicant's financial position demonstrated a need for grant support. However, in three of these cases they did not suggest what rate of grant might be appropriate for consideration by the Needs

Assessment Panel. The 15 cases also included eight grants, which were for the latest phase of repairs within a multi-phase programme of work. In such cases, English Heritage's approach is to reconsider the need for financial assistance to ensure that the original assessment still applies if there has been a substantial change of circumstances. One way of determining whether there has been a significant change of circumstances is to undertake a further financial appraisal. In this context, we noted that in four of these cases, involving grants totalling £315,074, the most recent financial assessment had been undertaken more than three years before the award of the grant.

The National Trust

3.8 Separate arrangements apply to grant applications from the National Trust. English Heritage set an annual funding ceiling (£1,400,000 in 1998-99) and within this limit, all applications from National Trust properties are eligible for grant at a standard rate of 40 per cent or, if from one of six properties covered by a maintenance deficit grant (Figure 12), at 100 per cent.

Maintenance deficit grants to the National Trust

Figure 12

English Heritage contribute towards the deficit incurred by the National Trust in running six of its properties:

- Beningborough Hall, Yorkshire
- Cragside, Northumberland
- Dyrham Park, Gloucestershire
- Hardwick Hall, Derbyshire
- Saltram House, Devon
- Sudbury Hall, Derbyshire

This arrangement reflects the fact that these properties were acquired by the Government, on various dates between 1953 and 1975, generally in lieu of estate duty, and were subsequently transferred to the National Trust which accepted them on the basis that annual deficits would be reimbursed. English Heritage pay an annual maintenance deficit grant, quarterly in arrears, in respect of these properties up to a cash limit set in 1981, and revised in 1991, which is uprated annually by the Treasury's GDP deflator. In 1998-99 the actual deficit at the properties was £1,353,000 and the English Heritage grant, which equalled the cash limit, was £967,000.

Funding from other sources



3.9 In determining the minimum level of grant support required for a project to proceed, it is important to take account of any funding available from other sources. So English Heritage ask applicants to provide information on any grants or loans from other sources that they are applying for and the outcome of the applications, if known.

3.10 The most significant of the other sources of public funding in the heritage sector is the Heritage Lottery Fund, whose remit includes funding types of work that do not qualify for English Heritage grants such as conversions and non-historic features. English Heritage are one of the Heritage Lottery Fund's appointed advisers on applications for lottery funds and they provide expert advice on applications where English Heritage may be considering or have already made a contribution towards the costs of a project.

3.11 We examined details of Lottery awards published by the Department for Culture, Media and Sport on their website to identify whether any of the recipients in our sample of 50 English Heritage grants had received lottery funding for the same project. We found that:

- In six cases, English Heritage and the Heritage Lottery Fund had provided funds for the same project. However, in each case English Heritage's case files indicated that they had been aware of the Heritage Lottery Fund's actual or potential involvement in the project, and had taken this into account in determining the amount of grant support.
- Similarly, in two cases, English Heritage and the Arts Council of England had provided funds for the same project. Again, in both cases English Heritage's files indicated that they had been aware of the Arts Council of England grant and had taken this into account in determining the amount of grant support.

Grant approval and authorisation



3.12 English Heritage grant teams refer all proposed grant offers over £100,000 and those over £50,000 where this represents more than 80 per cent of the eligible costs of the project to the Historic Buildings and Areas Advisory Committee. This committee is composed of 16 members who have extensive knowledge of the heritage sector. The Committee make a recommendation on each case to the Commission of English Heritage for ratification. On proposed grants that exceed £500,000 and on grants of more than £200,000 where this is over 80 per cent of

eligible costs, an additional level of approval has to be obtained from the Department for Culture, Media and Sport. We confirmed that each of the 50 grants in our sample had obtained the necessary approval before the grant offer was made.

Competitive tendering

3.13 A key element in securing value for money from grants is to ensure that work is awarded on the basis of competition. As a condition of grant English Heritage require grant recipients to obtain at least three tenders for the proposed work and to provide a tender evaluation report prepared by their professional adviser justifying the selection of the proposed contractor. The adviser must have appropriate specialist conservation knowledge, ability and experience (a registered architect, Royal Institute of Chartered Surveyors conservation accredited chartered building surveyor, chartered engineer or landscape architect).

3.14 We confirmed that competitive tendering had been used for 40 of the 50 grants in our selection. In the remaining cases we found:

- that while there were references on file to more than one tender being obtained, there was no evidence that a tender evaluation report had been received (four grants totalling £239,708);
- single tender action had been taken on grounds of urgency (one emergency grant totalling £7,000);
- the grant was to bring back into use a grade 1 building at risk owned by a developer. English Heritage agreed to single tender action once they were satisfied that the developer's costs were fair and reasonable and that his workforce was qualified to do the work. The grant offer includes provision for profit recovery if the final sale price is higher than anticipated (one grant totalling £430,000);
- the grant was for part of a multi-phase programme of works and contractors from an earlier phase had been re-appointed for some elements of the work without competition (four grants totalling £337,627 involving work costing £269,590). In each of these cases, English Heritage considered that this was the most cost-effective way to proceed.

It secured continuity of experience on specialised work and English Heritage's professional advisers had confirmed that the rates quoted were competitive.

Controlling grant costs

3.15 It is important to exercise control over grant costs by ensuring that interim payments are paid only in arrears for agreed milestones achieved, and that English Heritage ensure that all work specified in the grant application is carried out before the final payment is made. English Heritage require the grant applicant's professional adviser to monitor the progress of works and to certify that claims for payment are justified on the basis of the work completed. The progress of the project is also monitored independently by a nominated English Heritage architect or surveyor, who is responsible for determining before payment that works have been completed to a satisfactory standard.

3.16 We confirmed that all interim payments made on the 50 grants in our sample had been certified by the applicant's professional adviser and were supported by bills or a schedule of costs incurred. We also confirmed, for the 21 grants that had been completed, that the final payment was within the approved total and had been made after an inspection of the works by English Heritage's nominated architect or surveyor.

The conditions attached to grants

3.17 English Heritage require recipients to agree to a number of standard conditions attached to grants. Recipients must:

- maintain the property in a reasonable state of repair and send an annual return confirming the maintenance undertaken in the preceding 12 months;
- ensure that the property is adequately insured while the works are in progress. English Heritage recommend that insurance cover is maintained once the repairs are completed, but this is not a condition of the grant;
- depending on the type of building, allow a degree of public access to the property and give adequate publicity to this arrangement (part 2 of this report; and

- notify English Heritage immediately of any disposal of their interest in the property so that English Heritage can consider recovering the whole or part of the grant (under a claw-back clause).

3.18 We looked at whether English Heritage had attached these standard conditions to the grants in our sample. We found that they had been included for at least 10 years from the date of the final payment for 49 of the 50 grants in our sample. The remaining case included a profit sharing agreement between English Heritage and the applicant (a property developer) under which English Heritage would receive a share of the profits from the sale of completed units and a share of the value of any units remaining unsold at 31 December 2000. Work is nearing completion.

Recovery of grant on sale of property

3.19 The conditions attached to repair grants require the grant recipient to inform English Heritage immediately in writing if they intend to sell or dispose otherwise of their interest in the property. We confirmed that English Heritage had recovered sums where information on disposals had come to light. There have been five cases of repayment in the last two financial years (Figure 13).

Repayments of grant since 1997/98

Figure 13		
	Grant Repayments	
	Number	Value (£)
1997/98	3	176,896
1998/99	2	32,704
Total	5	209,600

3.20 In four of the five repayment cases English Heritage recovered the full amount of the grant paid. In the remaining case, English Heritage accepted a partial repayment of £20,000 from a grant of £43,000 to a registered charity which could no longer afford to maintain the grant-aided property which they had disposed of at a substantial loss.

Key points

- English Heritage have established criteria for assessing whether grant support is appropriate and have published them.
- English Heritage undertake financial appraisals of applicants' ability to contribute to repair costs for certain types of application, which accounted for about half the number of grants in our sample. They carried out financial appraisals in most cases where one was required, but for a quarter of those we examined there was no evidence of an appraisal prior to the grant being awarded.
- In a few cases involving grants that were part of a multi-phase programme, financial appraisals had not been updated for more than three years.
- English Heritage take into account public funding from other sources in determining grant awards.
- English Heritage require grant-aided work to be awarded on the basis of competition. In most cases competitive tendering had been used, but in a fifth of those we examined there was no evidence that this was the case, or contractors from an earlier phase of work had been re-appointed without competition.
- The final payment of grant in all the completed cases in our sample was within the approved total and had been made after an inspection of the works by English Heritage's nominated architect or surveyor.

Appendix 1: Study methodology

The key elements of our Study Methodology are set out below.

A comprehensive postal survey of grant recipients required to allow public access



We sent a self-completion questionnaire to each of the 320 properties listed on English Heritage's website which has a formal obligation to allow public access.

The questionnaire was designed in consultation with English Heritage and with the assistance of a specialist market research firm (BMRB Social Research). The initial response rate was 53 per cent. Following a reminder letter, the final response rate was 89 per cent (286 responses were received).

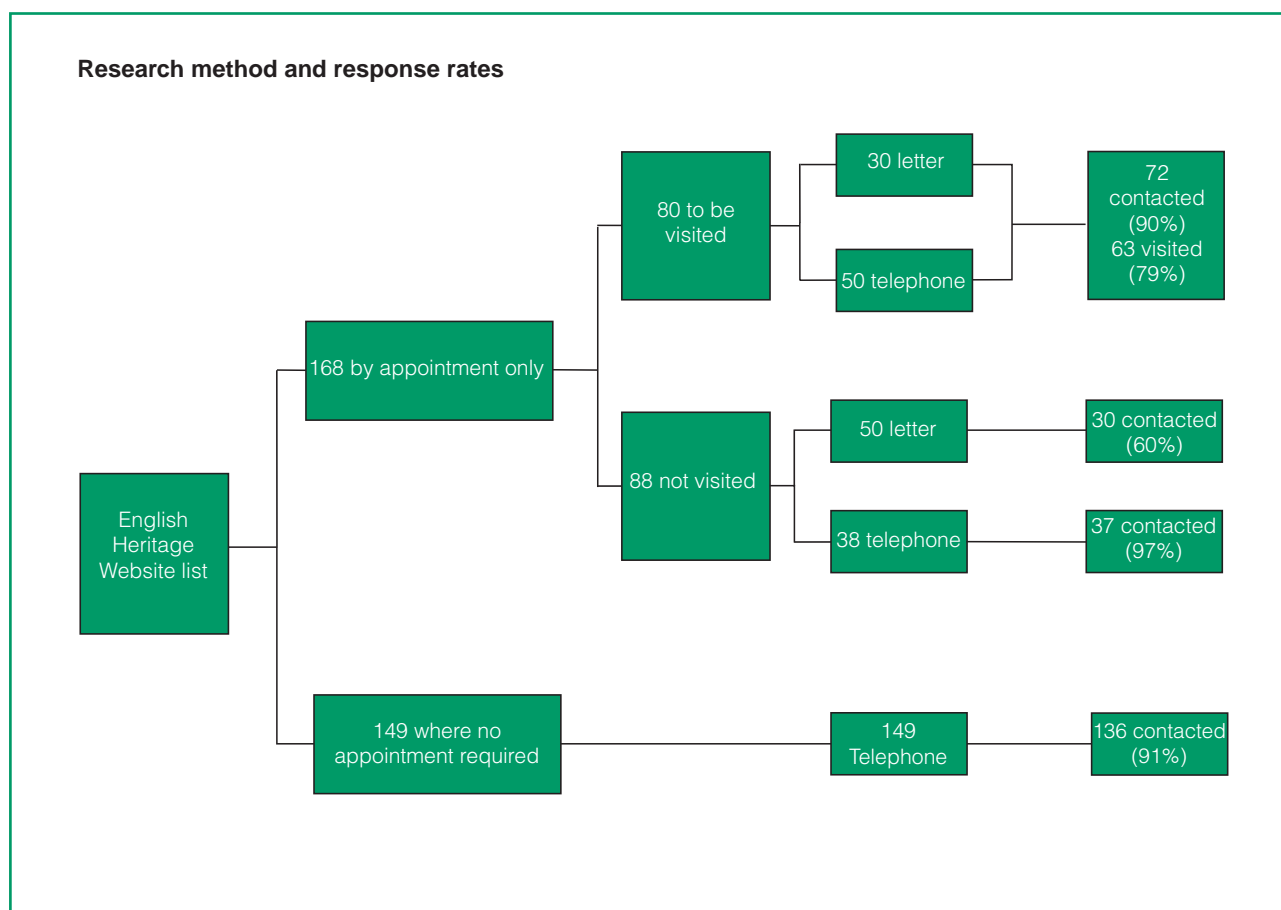
Mystery shopping



We consulted the Market Research Society and the Consumers' Association who confirmed our view that mystery shopping would be an appropriate method of determining the reaction the public would receive when seeking access to these properties. English Heritage work with grant recipients and representatives of owners of historic houses on the basis of trust and mutual co-operation. To avoid any possibility of undermining this relationship, we agreed with English Heritage to inform grant recipients and representative bodies in advance in general terms of our intention to undertake mystery shopping. We observed the Market Research Society Code of Conduct which requires that respondents, in this case individual owners, are not identified and not adversely affected as a result of participation.

We commissioned consultants with expertise in mystery shopping (BMRB Social Research) to undertake this element of the fieldwork on our behalf. We instructed their staff to reveal their identity and explain the nature and purpose of the exercise if challenged during their fieldwork and to provide details of a named individual within the National Audit Office to provide further details of the exercise if required.

The chart below summarises how the properties on English Heritage's website were sub-divided by access arrangement; the means of contact; whether a visit took place and the numbers contacted and the response rates.



Consultation with representatives of owners of historic houses



We sought and obtained the views of the following bodies on how the conditions attached to grants are operating in practice and English Heritage's publication of grant recipients opening arrangements:

- The Association of Preservation Trusts
- The Country Landowners Association
- The Historic Houses Association

An examination of 50 grants



We based our examination on a representative sample of 50 grants made between 1 April 1996 and 30 June 1999. We selected our sample from four of English Heritage's nine regions (East of England, London, South West and Yorkshire and the Humber) which English Heritage agreed were representative of the whole population of grants. The total value of grant payments in our sample amounted to £3.4 million, which represents 85 per cent of the total value of payments made across the four regions in the relevant period.

Good practice criteria used to evaluate English Heritage's performance

On access to properties

- English Heritage ensure that accurate and sufficient information is available for members of the public to identify those grant-aided properties to which they have a right of access and to enable them to arrange a visit.
- English Heritage investigate any complaints received from members of the public failing to gain access.
- English Heritage monitor whether grant recipients are complying with grant conditions governing public access and repayment.
- Owners provide public access to their properties in accordance with grant conditions.

On grants

- Grant applications are sought from the owners of properties at greatest risk.
- Financial appraisals are undertaken to determine the level of grant support required for the project to proceed. Grants paid do not exceed the amount approved.

- Competitive tendering is required for grant-funded work. Grant instalments are paid in arrears on certified evidence of agreed milestones achieved.
- English Heritage ensure that the work specified in the grant application is carried out before final payment.
- English Heritage recover grants paid when there are qualifying transfers or sales of property.
- Public access is a condition of grants made by English Heritage.