



HISTORIC
ENVIRONMENT
SCOTLAND

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EACHDRAIDHEIL
ALBA

How are we spending our money?

Grants Programme Baseline Report 2023-24



Photo by Jo Vale

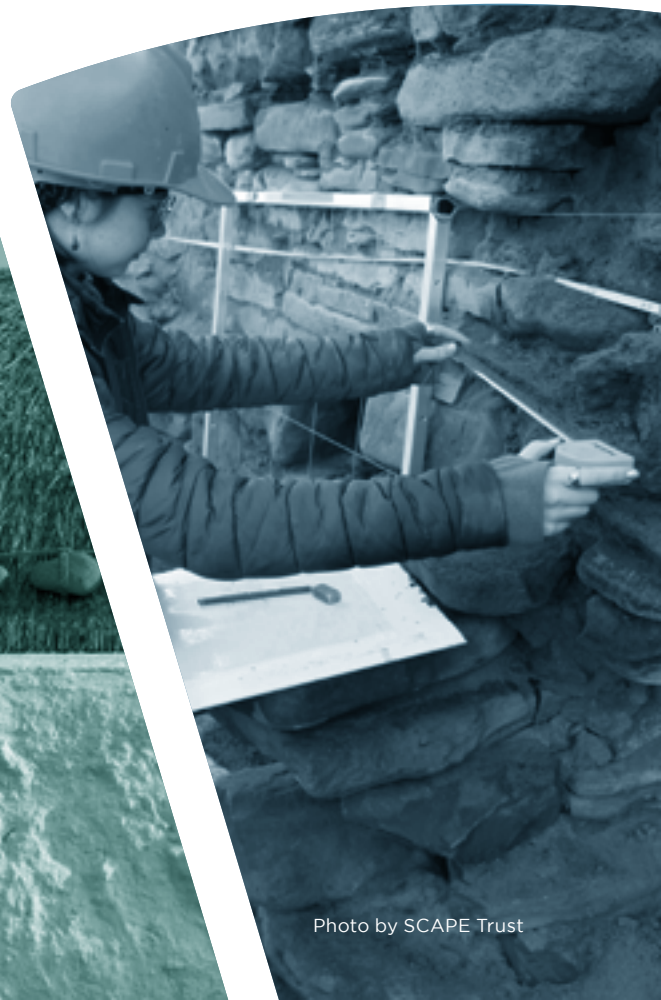


Photo by SCAPE Trust

1 Executive Summary

Historic Environment Scotland (HES) is aware of the importance of its funding for Scotland's historic environment sector.

With our grants programme, we

- enable local decision-making about heritage
- support key partners working in the sector
- support training, skills, stories and engagement
- help deliver major capital projects that have a lasting impact on the wellbeing of Scotland's people

The completion of the Grants Refresh in 2023 provided the opportunity to explore how we can make the data we collect through the grant-making process more accessible to a public audience. The data below shows that our support is wide-ranging and impactful, successfully leveraging in other funding for large-scale projects and providing crucial support for smaller and more specialist projects that are more difficult for others to fund.

We continue to work more with charities than any other type of organisation and we know that the health of the voluntary sector is crucial to maintaining our historic environment.

Our new grants management system allows us to use certain terms and keywords in applications. From our interrogation of this year's data, we found that the climate crisis was frequently referenced, alongside resilience, wellbeing, diversity and inclusion. It appears that these themes are at the fore of applicant and sector thinking.

Finally, we have included a brief reflection on the pandemic period and its impact on how we funded. While the sector has now mostly returned to full operation, its impact in terms of cost uplifts and project timetabling remains notable.

Our intention is to publish a report on our funding each year, to provide transparency on our spending and to highlight trends we see emerging in the sector. If there are themes that you feel would benefit from our analysis in future years, please get in touch.

2 Background

On behalf of the Scottish Government, Historic Environment Scotland grant aids projects that promote and protect the historic environment, and relate to Scotland's tangible and intangible heritage. As a key funder of heritage in Scotland, we want to share data around our spend and offer some insight into funding decisions. We are committed to making our funding as transparent as possible and look forward to building on this data release in future years.

3 Data Reference

Data used in this report is drawn from HES data records. This report will form a baseline for HES grants data going forwards, and we will use it to measure year on year comparable grant spend.

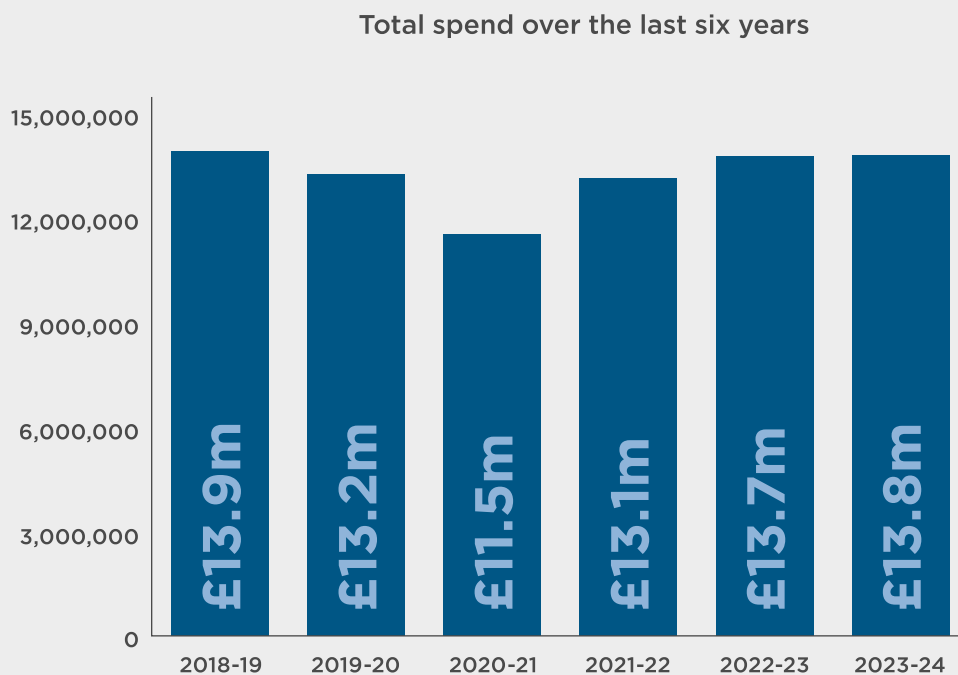
For this report, we have used data from the past six years to allow for comparative analysis. We have clearly marked spikes or troughs resulting from the Covid-19 pandemic. In occasional cases, we have only used data from the year 2023-24, as this correlates to the introduction of our new Historic Environment Grants programme, which has given us access to more accurate data. For each analytic, we have indicated the scope of data we are referencing.

Our intention is to make most of the data used for this report publicly available via the 360giving web portal over the coming year. From 2024 onwards, we will have the ability to provide quantitative data across all our active projects against our Grants Priorities. We will report on this in 2024-25.

4 Our funding

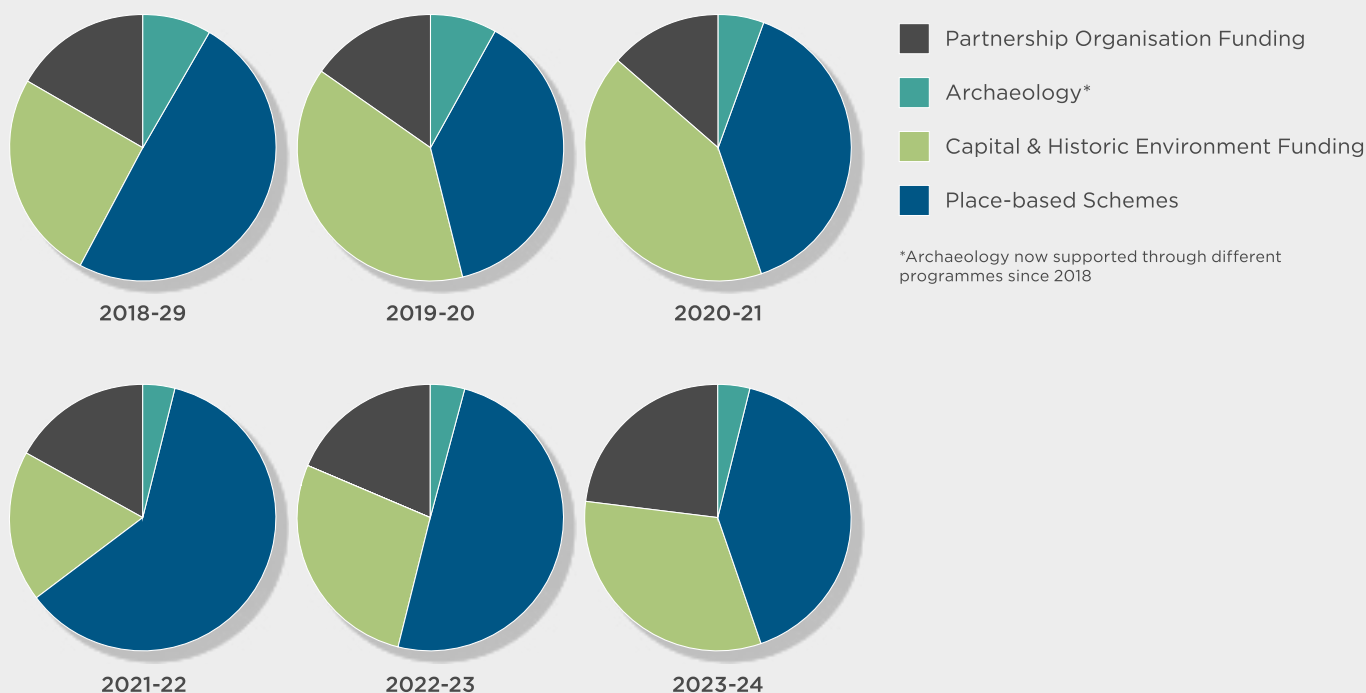
4.1 What are we funding?

Through the HES grant funding programme, we spent £13.76 million on Scotland's heritage in 2023-24, entirely funded by the Scottish Government. As per the table below, our funding for grants has remained consistent for the past six years, with a dip in 2020-21 related to the pandemic.



Through our expression of interest process, we received grant applications totalling £23.7 million. In addition to our actual spend, we have committed a further £5.44 million to projects in our pipeline, allowing our grantees to use our secured funding as a match for other funders and increasing its potential for leveraging further support. In total, we made 16 grant awards in our first year of operating the Historic Environment Grant (HEG) programme. This relatively low number of awards relates to the newness of the programme – we expect this to increase as it more fully replaces our other grants schemes.

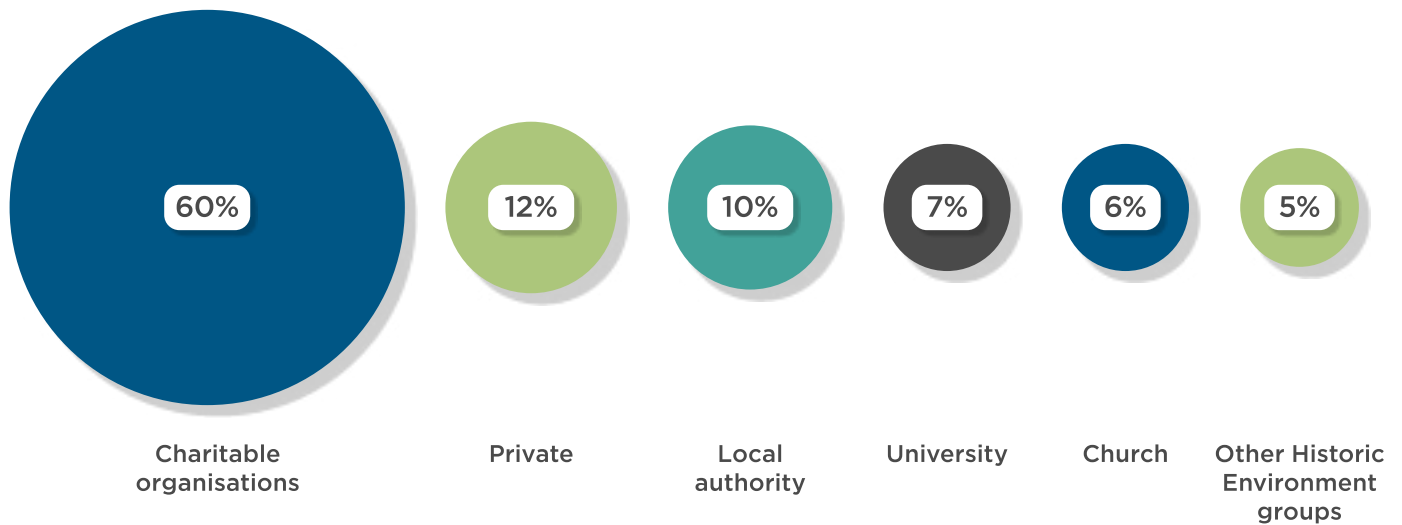
We have spent the following amounts on each of our themed programmes over the course of the last six years:



It should be noted that the decrease in archaeology spend indicated above from 2020 onwards relates to core funding being allocated through our Partnership Fund, rather than directly through our archaeology provision – there has been no significant reduction in spending on archaeology overall. Although awards for the HEG programme were made in 2023-24, drawdown tends to happen in future years. This is particularly the case of complex large-scale capital projects. This explains the pattern in the first year of operation for the HEG programme.

We spend more money on capital projects than any other area. In relation to capital projects which related to 74% of our spend, these are typically more expensive than skills, engagement or intangible cultural heritage projects, and have often required uplifts in awards as a result of the pandemic and inflation. Scotland’s archaeology sector, which gets 5% of our spend, is particularly active, and our awards on this encompass a very broad range of activities, including key stakeholder organisational support, digs, conferences, practical archaeology, publications and skills training. All our spending on archaeology is tested for alignment with Scotland’s Archaeology Strategy by our in-house archaeology experts.

4.2 Who are we funding?



We spend more money with charities than any other type of organisation. In Scotland, this encompasses various types of organisations such as trusts and foundations, Scottish Charitable Incorporated Organisations and Community Interest Companies. Within the broad heading of charities, our applicant organisations vary widely, from well-established organisations that have worked with us on a number of occasions, to younger development trusts, for whom heritage is a new area of working.

While there is a broad spread of organisations applying for funding, our time-limited place-based schemes - Conservation Area Regeneration Schemes (CARS) and Heritage and Place Programme (H&PP) - have only been successfully applied to by local authorities.

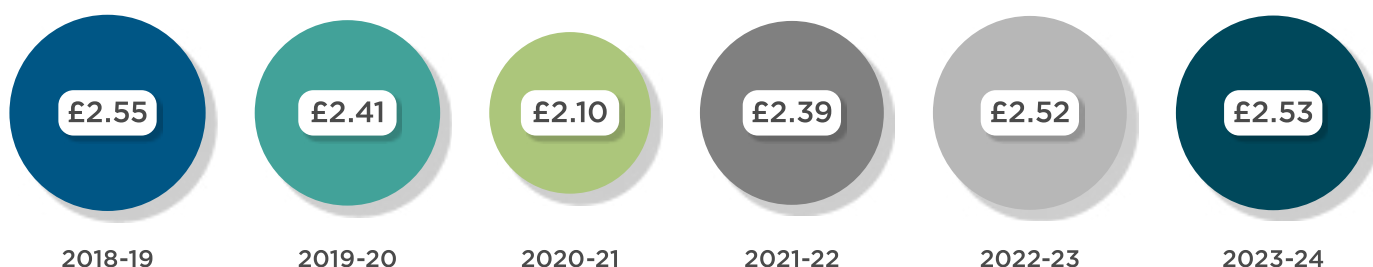


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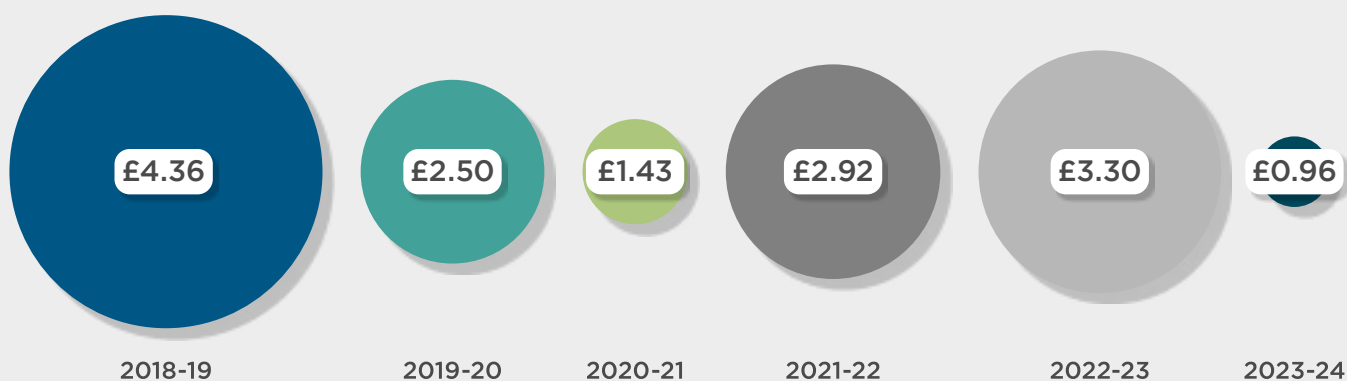
5 Geographic Spread of our Committed Funding

Our committed funding in each of Scotland's local authority areas, and per head of population therein, varies geographically, with a concentration of funding going to local authority areas within the central belt. A map showing the spread of our funding is included on page 7 of this report. The difference in funding is due to a range of factors relating to how well applications meet our Grants Priorities. Glasgow City has remained our most successful local authority in terms of funding for the past six years.

In 2023-24 we spent £2.53 on the historic environment for each person in Scotland, which is consistent with our spending in previous years, as shown below. This compares very favourably with other home nations and illustrates the reach of Scottish Government funding in the historic environment sector. Note there is a small dip in 2020-21, relating to the pandemic.



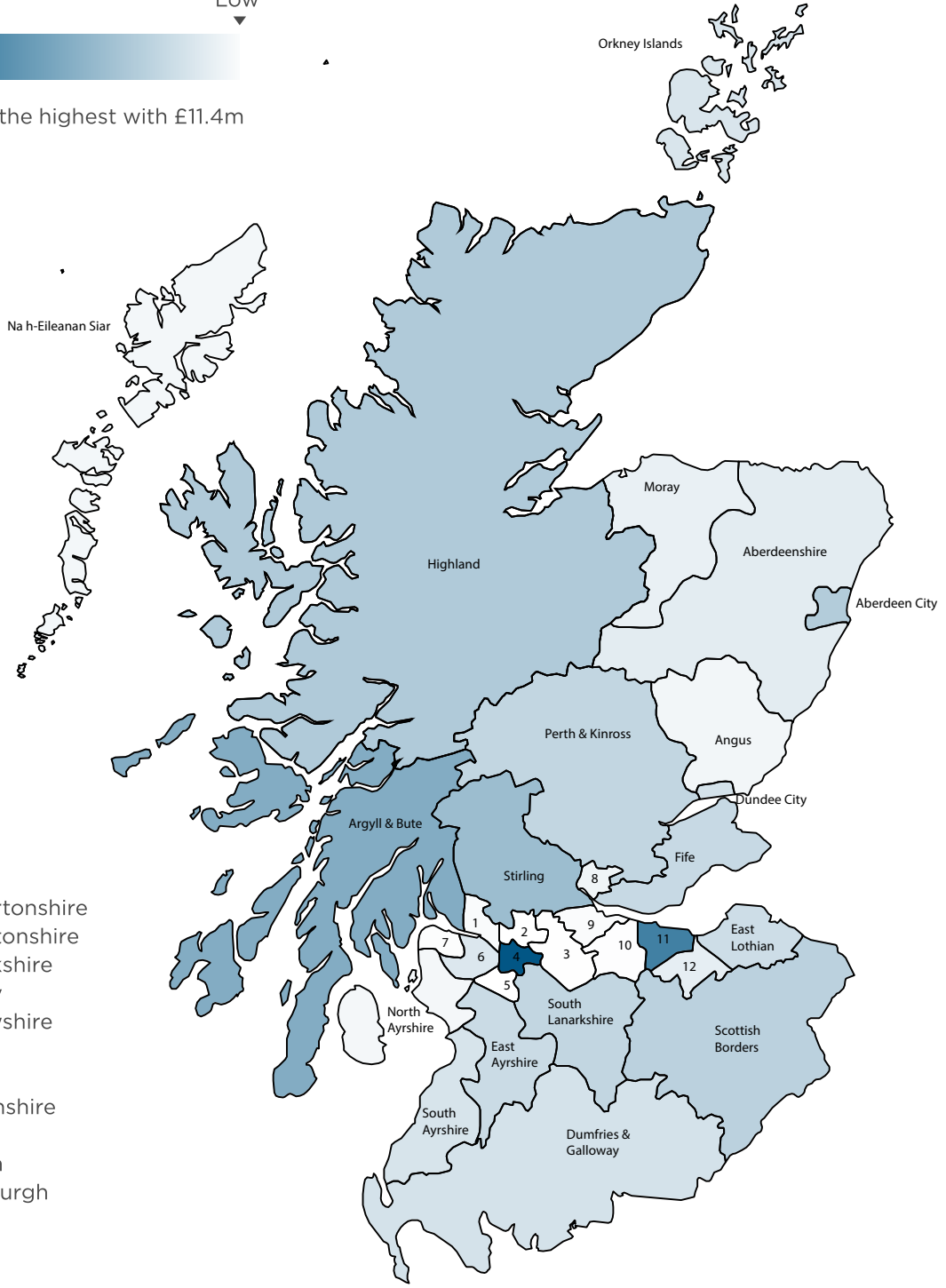
In addition to the money we have spent on the historic environment this year, we have made offers of 96p per head of population. These commitments relate to projects delivered this year and to be delivered in future years. Our figure for this year is lower than previous years, as shown below. We attribute this to not having made any significant place-based or partnership funding decisions this financial year. With some of these larger value decisions planned in the coming year, we expect this figure to balance in our commitments for 2024-25. This can be compared with previous years below:



Grants Commitment by Local Authority from 2018 to 2024



Glasgow is the highest with £11.4m



1. West Dunbartonshire
2. East Dunbartonshire
3. North Lanarkshire
4. Glasgow City
5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian

6 The Impact of our Funding

Over the course of the last six years, we have been able to support 341 organisations working in Scotland's historic environment, supporting 629 projects. Our funding has considerable leverage power – for each pound of HES funding, our applicants have been able to attract a further £3.92.

The nature of our Grants Priorities means that we are often able to support projects that are not eligible for other major funders. These typically include smaller scale works where there are limited opportunities for wider engagement, but the historic environment asset is recognised as having a particular cultural significance to Scotland's heritage, such as Scheduled Ancient Monuments, churches and tolbooths. With climate change, we will monitor over the coming years to assess if there is a change in their frequency of application.

In the past six years, we have committed 6.34% to projects in the lowest quintile of the Scottish Index of Multiple Deprivation. We remain committed to supporting projects that include a wide variety of people in decision-making about the historic environment and we will look to improve this figure, particularly through our place-based initiatives.

The Buildings at Risk Register (BARR) records built environment assets which are listed and/or in conservation areas which are vacant and/or in disrepair. Funding projects that remove these assets from the BARR is an important part of our work, and as such, we have funded 23 since 2018, forming 4.9% of our overall capital works funded projects. This is in addition to BARR projects carried out through our Conservation Area Regeneration Schemes, where we have funded works to enable an additional 34 projects to be removed from the BARR.

What built asset type are we funding most for capital works?

We fund more churches than any other building typology, which reflects both their large numbers in Scotland, and the often challenging nature of their design. Of the assets we have funded over the past six years, 93 are A-listed and 63 are B-listed. These represent 0.56% of all A and B listed buildings in Scotland.

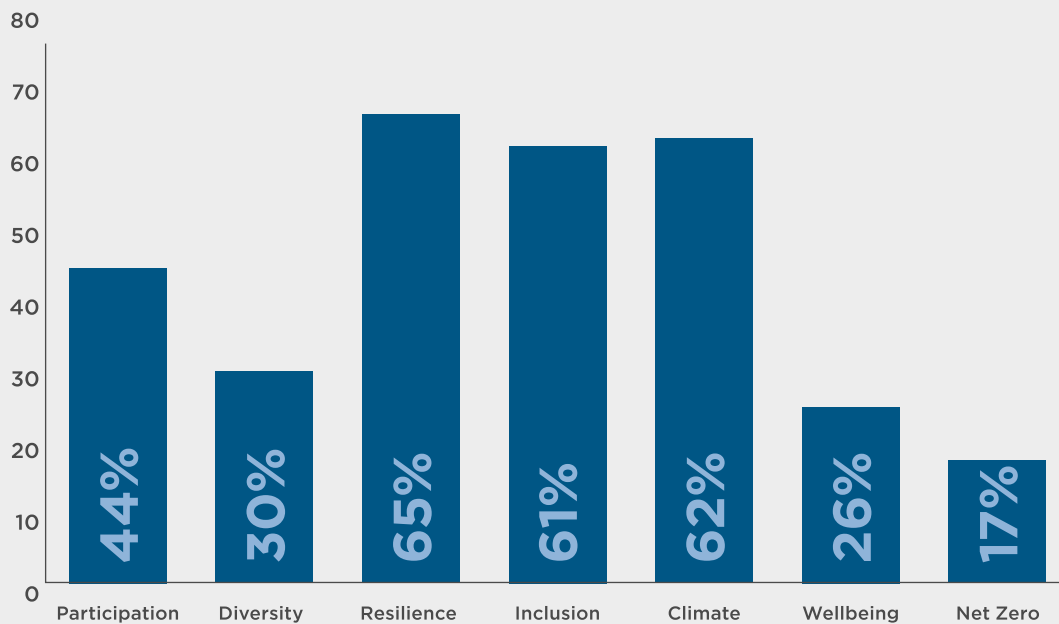
Almost all of the capital works projects that we fund involve roof repairs, which are a crucial factor in maintaining the longevity of a historic asset. We are also commonly asked to support works to windows, rainwater goods and repointing, and the associated skills to deliver these – all of which support our climate change work theme of Climate Impacts and Adaption, as detailed in our [Climate Action Plan](#).



7 Themes in Scottish Heritage

The following is a snapshot of the frequency of certain key words being used in 2023-24, giving an indication of the concerns of our applicants through their usage in applications. The prevalence of resilience, inclusion and diversity points to strong interest in these areas in particular.

Key emerging application themes 2023/24



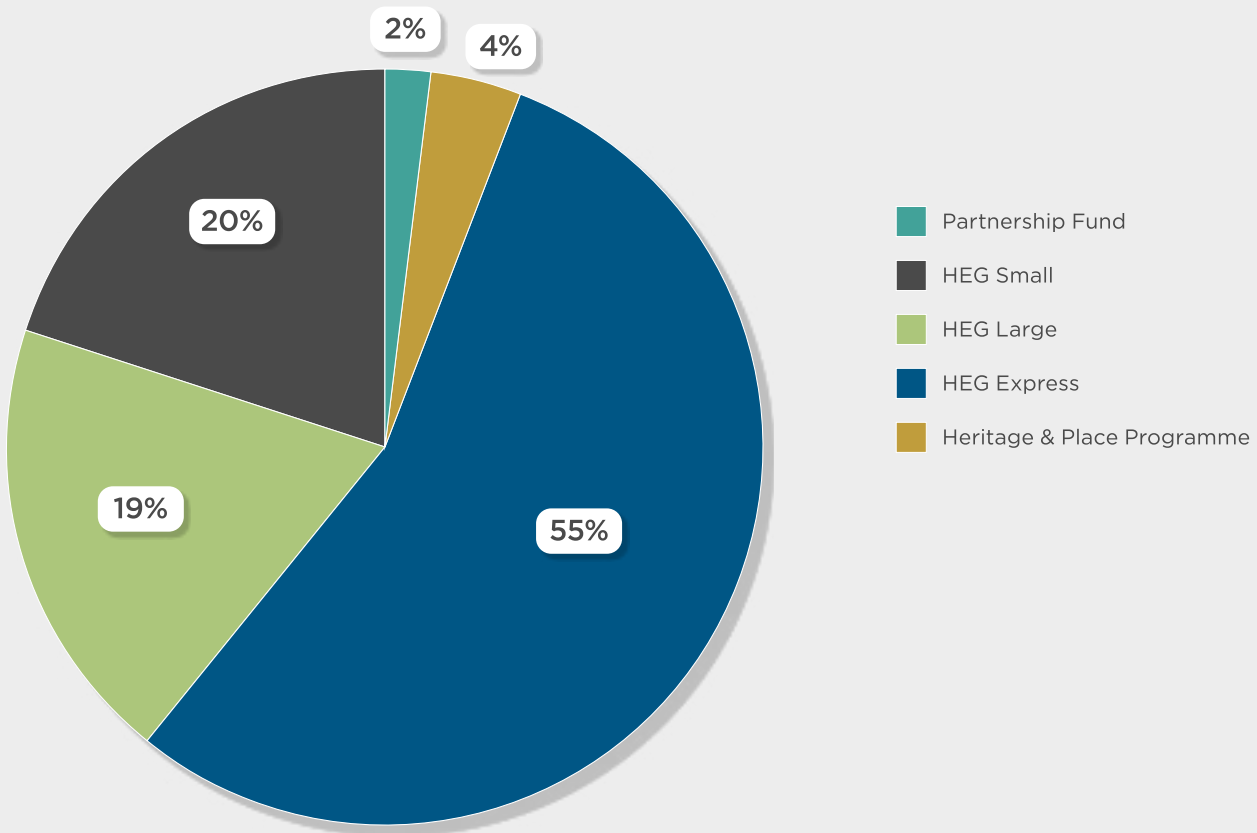
8 Our Processes

Since we opened our Historic Environment Grant programme in March of 2023, we have asked all our potential applicants to give us an initial outline of their project by filling out an Expression of Interest form. This allows us to make a first high-level assessment of a project, and where there are likely to be complexities, signpost these clearly early on in the process. Where projects are considered borderline for meeting our Grants Priorities, we discuss these at our weekly team meetings to make sure our advice is as fair, consistent and positive as possible.

If we consider the project outlined in the Expression of Interest is likely to be a priority for funding, we give feedback, indicating areas that should be strengthened for the application stage. If it is not a likely to be priority for funding, we also provide feedback.

We received 202 Expressions of Interest in 2023-24, of which 107, or 53%, were successful in being recommended through a competitive process to submit a full application. 98 of those have since started an Application. Not all of those have yet completed their applications, but of those received, 40% have been successful.

The spread of interest in our programmes is as follows:



Express Grants, which are our smallest grants of a value of up to £25,000 and are determined within 6-8 weeks following application, attract the most interest from the sector. These were a new element of our offering following the Grants Refresh carried out in 2022-23. There are relatively few small-scale grants programmes available within heritage, and reflect the take-up of small grants.

In terms of our applicants, we work with some sector partners on an ongoing basis. These may be organisations with a national remit that we fund through our Partnership Fund, or large-scale partners such as local authorities with a number of multi-year capital projects. We also work with local building preservation trusts and City Heritage Trust on a long-term basis as a means of building local capacity in the historic environment.

HES takes a proactive approach to supporting its grantees once their capital project is onsite for physical works. While the bulk of our support is via digital means such as video and phone calling, as well as emailing, this year we employed a conservation-accredited Conservation Advisor as part of the Grants Team, to further support our ability to offer consistent, high-quality advice to our grantees. In 2023-24, our Grants Team also spent 62 days visiting capital works – a figure which we hope to increase next year.

9 Annual Theme: The Pandemic

Each year, we intend to explore a particular theme in heritage that we will report in our Grant Programme Baseline Report. This year, we are reporting on our work during the pandemic.

During 2020, HES quickly developed the Historic Environment Recovery Fund in response to pandemic funding made available by the Scottish Government to help the historic environment sector negotiate its recovery following the Covid crisis. The fund was available to heritage organisations to help them address their immediate needs relating to reopening to the public; protecting jobs, capacity and skills; and enabling organisations to undertake planning to regain longer-term financial sustainability and adapt to new ways of working.

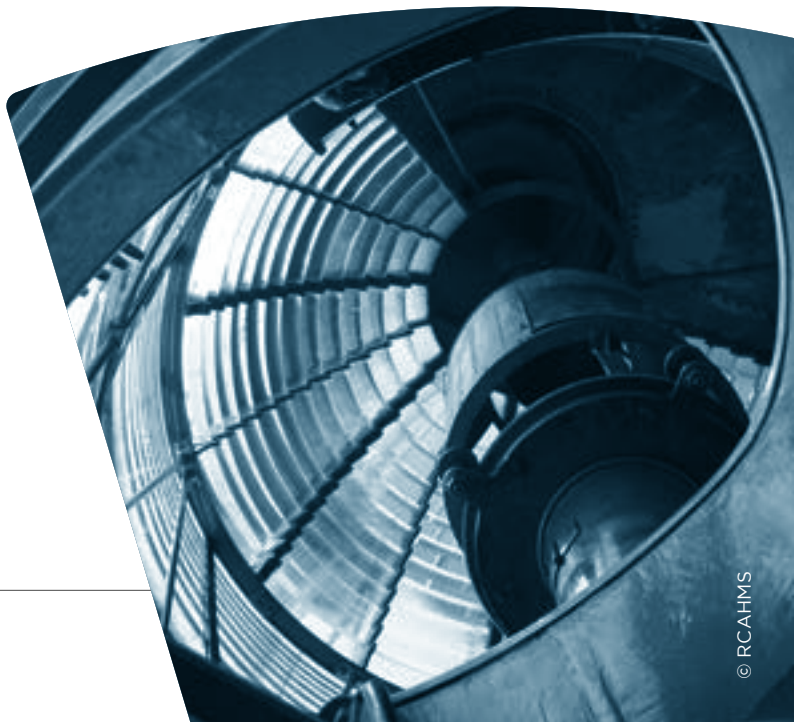
Grants were awarded to 41 organisations, from theatres to historic buildings trusts. The funding made available helped establish physical adaptations needed for sites to reopen with appropriately distanced one-way systems, enabling contactless interaction in well-ventilated spaces.

The Recovery Fund also offered financial support to allow organisations to plan. It enabled organisations to continue to operate despite having sustained pandemic-related income losses, giving them to plan for the changed environment following the pandemic.

Some of the projects we funded:

- **Strathspey Railway Company:** we supported staffing costs, along with the cost of training their apprentice and operational costs, helping them recover from the pandemic.
- **Ardnamurchan Lighthouse:** we funded urgent repair works required to allow the reopening of the former lighthouse keepers' cottage, so that this building could once again be operated as a visitor centre and museum.
- **Braemar Community Limited:** we supported both operational support costs and adaptations to the flow of visitors through Braemar Castle, allowing visitors to return to the Castle safely.
- **The Moray Society:** we funded business planning to improve their business model for Elgin Museum, which opened in 1843 and is Scotland's oldest continuously independent museum.

Since the pandemic, we have noticed an increase in the number of projects requesting uplifts on the agreed grant awards. Before the pandemic, roughly 4% of our projects requested uplifts, but we are now seeing a trend since 2020, where approximately 15% of projects are looking for further funding support. This can be attributed, at least in part, to skills and materials shortages, as well as other issues around the cost of living crisis. We will continue to monitor this trend.



Our Actions

We will take the following actions to improve our grant-giving service, noting its importance in the delivery of the sector's strategy *Our Past, Our Future*. We intend to act on the information revealed in this year's data analysis and report on it in future reports:

- We will consider simplifying some of our grant application processes and supplying additional support to our applicants who may find funders daunting.
- Where local authority areas are underrepresented in our funding, we are always pleased to offer guidance in the early-stage development of projects that might be eligible for support. We will increase our efforts to engage with organisations who are less experienced in heritage.
- We will aim to increase the number of our projects located within the lowest decile of the Scottish Index of Multiple Deprivation.
- We will make our data available via 360giving, where possible within the constraints of GDPR UK.
- We will further interpret our data to share new insights in 2024-25.



Historic Environment Scotland is the lead public body established to investigate, care for and promote Scotland's historic environment.

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