



HISTORIC ENVIRONMENT SCOTLAND GRANTS FRAMEWORK 2021 ONWARDS



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INTRODUCTION

At Historic Environment Scotland (HES), we view our grant programmes as being key to our role in helping to look after the historic environment. More than five years on from the last refresh of our grant programmes, we have taken the opportunity to review and update our approach to ensure that it meets the needs of applicants and aligns with current policy and priorities. With the economic and social impacts of COVID-19 and the increasing urgency of the climate crisis, this is also a time of unprecedented change resulting in needs and opportunities which are relevant to our historic environment.

Following on from recent consultation activities, we have developed this new HES Grants Framework to guide our future grants activity. A framework will provide the flexibility needed to react and adapt to what is likely to be a period of continuous change and shifting priorities, and we will aim to update it in approximately five years. This document has been informed by the following review and consultation activities:

- an internal review of our current grant programmes and operations and a series of internal consultation exercises;
- a consultant-led review of the Conservation Area Regeneration Scheme (CARS), which included consultation with external stakeholders;
- consultation with Scottish Government;
- a peer-review process gathering feedback on the proposed approach from relevant funding organisations, including National Lottery Heritage Fund, Museums Galleries Scotland, Architectural Heritage Fund Scotland and Scottish Government;
- A six-week public consultation process held in July-August 2021 (the public consultation report is available to view on our website).

BACKGROUND TO THE GRANTS REFRESH

Our role as a funder to date

Historic Environment Scotland has distributed approximately £14.5m per annum in grants since it was established in 2015, using Grant in Aid provided by the Scottish Government. As the lead body for Scotland's historic environment, we have used our expertise and strategic understanding of historic environment priorities to deliver a range of grant programmes focusing on different areas of activity aligned with our corporate priorities.

A key focus of our grants work has been supporting conservation-standard repair works, with the aim of ensuring the future of historic environment assets and supporting a strong market for traditional skills and materials. We have done this directly through our Historic Environment Repair Grants scheme and in partnership with the repair grant schemes delivered by Scotland's seven City Heritage Trusts. Heritage-led regeneration of Scotland's historic town centres and cities has been

another important priority since the Conservation Area Regeneration Scheme was launched in 2007.

Under our Organisational Support Fund and Historic Environment Support Fund, we have supported the sector with grants to deliver traditional skills training and engagement activities, as well as assisting with the ongoing repair and maintenance of key historic environment assets. We have also provided grants to support the delivery of Scotland's Archaeology Strategy through our Archaeology Programme. Most recently, we delivered two time-limited targeted grant programmes. These include the Coasts and Waters Heritage Fund – a community-centred fund aligned with the 2020-21 Year of Coasts and Waters – and the Historic Environment Recovery Fund – a £1.9m fund delivered on behalf of Scottish Government to assist the historic environment sector in recovering from the impacts of COVID-19.

The grants offered by Historic Environment Scotland over the past six years have played an important role in protecting and promoting Scotland's historic environment, but this has not been achieved in isolation. We have worked alongside our funding partners – including Scottish Government, the National Lottery Heritage Fund and the Architectural Heritage Fund – to work toward shared outcomes and maximise support for historic environment projects and organisations.

Strategic and policy context

The refresh of our grant programmes has been considered a priority since we adopted our current Corporate Plan, *Heritage for All*, in 2019. In addition to the direct benefits that HES can provide for the historic environment, *Heritage for All* acknowledges that the historic environment can contribute to wider national priorities for communities, the environment and the economy. The first aim of our grants refresh is therefore to realign our grant programmes to ensure that they are supporting activities which contribute to the delivery of our Corporate Plan outcomes. It is also important to ensure that our approach aligns with Our Place in Time (Scotland's strategy for the historic environment), the policies and principles of HEPS (Historic Environment Policy for Scotland) and the forthcoming Built Heritage Investment Plan.

The changes associated with COVID-19 strengthen the imperative to ensure that our grants are championing the full potential of the historic environment. HES has identified five key priority areas to direct our work to ensure that we maximise opportunities to help mitigate the impacts of COVID-19 on the historic environment, the sector and wider society. These include green recovery, sustainable tourism, localism, skills and young people. Another key priority is the Scottish Government's Fair Work First principles, which are central to achieving sustainable and inclusive growth in Scotland. We have considered how we can adapt our grants to support these specific priorities going forward whilst ensuring that any changes are sustainable and aligned with our longer-term priorities.

This has involved looking at relevant national plans and initiatives such as the Scottish Government's Infrastructure Investment Plan (Feb 2021), Climate Challenge Plan (Dec 2020) and Economic Recovery Implementation Plan (Aug 2021), and Fair Work Action Plan (Feb 2021); the recent Town Centre Action Plan Review (Feb 2021); and the Scottish Government's Place Based Investment Programme. For example, how can we pivot our repair grants to increase the energy efficiency of the historic environment, supporting the transition to a low-carbon economy? How can we refresh our Conservation Area Regeneration Scheme (CARS) to support a place-based approach and support communities to revitalise historic towns and areas impacted by lockdowns? We have also considered how to provide more targeted and sustainable support for key skills identified in the Skills Investment Plan for Scotland's Historic Environment, helping to support job creation and wider economic recovery. As part of this, we have considered how to adapt our grant processes and conditions to encourage grantee organisations to strengthen their commitment to Fair Work First principles.

Current funding climate

We are acutely aware of the challenging circumstances facing many of our grant applicants. In addition to having to satisfy the requirements of multiple funders, the economic impacts of COVID-19 mean that some owners of historic sites have fewer funds available for maintenance and repair, and there is increased pressure on the public funding normally available for large repair projects.

Through our experience of administering the Historic Environment Recovery Fund in 2020-21, we also know that many historic environment organisations – particularly historic sites which are reliant on visitor income – are dealing with the realities of reduced income, uncertainty and challenging operating conditions. Increased pressure on funding can also put smaller groups and communities at a disadvantage due to a relative lack of experience or capacity to apply for grants.

With these factors in mind, we recognise the need to provide more flexible support to ensure that significant heritage assets are protected and streamline our approach to make it more user-friendly and accessible for applicants. We are also aware that certain aspects of our operations are in need of improvement and modernisation to ensure that no one experiences any barriers in applying for our funding.

Finally, with increasing pressure on our own funds, ensuring that we make the best possible use of our grant funding is more important than ever. We have considered how we can increase the impact of our funding through our outcomes-based approach and look more closely at how we target our investment using available data and metrics. We will also continue to work in close partnership with other funders wherever possible to maximise the impact of available resources. The sustainability of our investment is also key, and we have reviewed our eligible costs to encourage more sustainable projects and ensure the ongoing maintenance of grant-aided work.

OVERVIEW OF OUR REFRESHED APPROACH

This section provides a summary of the changes proposed to bring about a more streamlined and strategic set of grant programmes and an improved user experience for applicants and grantees. An overview of the proposed grant programme structure is outlined in Appendix 1.

- **New Grants Priorities**

We have developed a set of six Grants Priorities to guide our future work. Set out below, these Priorities link directly to our Corporate Plan outcomes and are each accompanied by a brief text which outlines more specifically what we would like to achieve through our grant funding. Applicants to all our grant programmes will be asked to explain how their proposals will contribute to our Grants Priorities, and case studies of successful projects will be developed to provide practical examples. We will also provide guidance to help grantees develop KPIs and measure the impact of their grant across these priority areas.

Please note that our Grants Priorities apply to the full breadth of Scotland's historic environment. Our approach aligns with Our Place in Time, which describes the historic environment as 'the cultural heritage of places and is a combination of physical things (tangible) and those aspects we cannot see - stories, traditions and concepts (intangible)'¹. When we refer to heritage assets within the Grants Priorities, this includes a wide range of structures, sites and assemblages across Scotland (such as historic buildings, ancient monuments and archaeology, designed or cultural landscapes and historic gardens and battlefields).

GRANTS PRIORITY 1: INCREASE UNDERSTANDING OF AND ENGAGEMENT WITH SCOTLAND'S HISTORIC ENVIRONMENT

The historic environment brings a range of benefits to people that have a real and positive impact on their lives. Through our grants we want to provide more people with more opportunities to engage with and learn about the historic environment, in person or digitally.

There are many ways in which your project could achieve this priority. This could be by providing volunteering opportunities or learning programmes; organising open days and events; or producing new interpretation media or educational resources. Your project may also be supporting communities to undertake their own research or recording to better understand and promote the significance of the historic environment. Alternatively, you may be undertaking research, such

¹ APS Group Scotland (for Scottish Government) (March 2014). Our Place in Time, [our-place-in-time.pdf](#), p1.

as an archaeological investigation, in order to increase and promote our collective understanding of the historic environment.

Recent research undertaken by HES shows that engagement with the historic environment can lead to a greater sense of wellbeing. If this is a specific objective of your project, you will use appropriate evaluation methods to measure people's attitudes about their wellbeing after they have taken part in your project. Applicants should consider how to increase the diversity of people who are engaging with the historic environment through any grant-funded activities. This could be by involving new audiences and people of diverse social backgrounds, ethnicities, ages or abilities. Applicants are particularly encouraged to consider how their grant-aided activities can provide opportunities for young people.

GRANTS PRIORITY 2: ENHANCE COMMUNITIES' USE OF THE HISTORIC ENVIRONMENT IN PLACE MAKING

Communities participate actively in decisions about their local historic environment, using their heritage to foster a strong sense of place and/or help their local town centres and areas recover from the disruption of COVID-19. HES grant funding will enable communities to prioritise investment in local historic environment assets, resulting in vibrant, sustainable and successful places.

There are many ways that your project could achieve this priority. For example, your community group or local business could be working to bring redundant historic buildings back into use to provide facilities for living, working, entertainment and recreation. You could also be working with communities to improve the way that other historic environment assets are used, accessed or presented, providing more opportunities for people to connect with local heritage and lead healthy and active lives.

Communities may also have increased capacity to look after and promote the historic environment. For example, through your project owners of historic sites may have developed new skills or knowledge relating to maintenance, or community groups may be in a stronger position to successfully manage historic environment assets as a result of training, mentoring, advice or the development of new resources.

GRANTS PRIORITY 3: STRENGTHEN THE RESILIENCE OF SCOTLAND'S HISTORIC ENVIRONMENT

Historic environment assets are integral to Scotland's places and communities, and it is important to enable their sustainable use and safeguard them for future generations.

To achieve this priority your project will focus on conservation repairs or consolidation. This will ideally be achieved by comprehensive repair projects, and in some cases, through interim repair or protective measures which are essential to ensure the survival of at-risk heritage assets. Resilience of the historic environment may also be improved through minor adaptations to reduce the effects of climate change on historic fabric. Traditional (preferably local) materials will be used where possible and appropriate in grant-aided works, helping to secure the future availability of appropriate materials to maintain Scotland's historic environment.

Where your project focuses on the intangible aspects of the historic environment – such as stories, traditions and skills – these will be recorded or passed on to new practitioners, helping to safeguard the significance of the historic environment for future generations.

Your project may also lead to better management of the historic environment in the future. This could be through the creation of management or maintenance plans; undertaking research or recording; or developing new technology, techniques or resources to improve our ability to look after the historic environment. Anyone in receipt of a repair grant over £25,000 will be required to produce a costed management and maintenance plan and commit to its delivery. This priority can also be achieved by improving the resilience of organisations responsible for looking after or promoting historic environment assets, where there is a strong case for how this will enable HES outcomes to be delivered in the longer term.

GRANTS PRIORITY 4: USE THE HISTORIC ENVIRONMENT AS A CATALYST FOR CLIMATE ACTION

The historic environment can play a key role in tackling the climate emergency and help put Scotland on course to a green recovery.

There are a number of ways that your project may contribute to this priority. This may be by simply repairing a historic building and making it weather-resistant, maximising its energy efficiency and protecting it for future generations. Where there is a need for a building or structure to house community facilities or services, you may be making use of existing historic environment assets, minimising other carbon intensive outcomes like new construction. In doing so, you may also be helping to reduce the need to travel long distances, in turn promoting more sustainable communities. Your project may also include research or innovation with practical outcomes for increasing the energy efficiency of the historic environment or lessons from the past to help find contemporary solutions to climate change.

Grant-aided repairs will normally be undertaken using traditional materials (locally sourced or recycled where possible) and techniques, promoting a circular economy and reducing waste. Where appropriate, the energy efficiency of historic buildings may be increased through the reinstatement or retrofitting of sympathetic energy efficiency measures, to be outlined in our *Guidance for Repair Grants*. This will be as part of a comprehensive repair project where there is an opportunity to implement energy efficiency measures as part of other scheduled works. Where appropriate, you will also aim to reduce longer term energy use through the installation of low-energy systems (e.g. lighting and heating) and / or use of renewables. You will have considered how to minimise waste from construction and other grant-aided activities and from the longer-term use of your building or site.

GRANTS PRIORITY 5: INCREASE THE QUALITY AND AVAILABILITY OF HISTORIC ENVIRONMENT SKILLS

Our grants have a crucial role to play in supporting skills development opportunities to ensure that Scotland's historic environment can continue to be appropriately maintained, cared for and promoted for generations to come.

To achieve this priority, your project will use HES grant funding to help address key skills gaps in the historic environment sector, such as those identified in the Skills Investment Plan for Scotland's Historic Environment, local skills audits or our *Guidance for Skills Projects*. This could be by delivering targeted skills development opportunities – such as apprenticeships, continuous professional development (CPD) or volunteer training – or building the capacity of your organisation to develop and deliver sustainable training opportunities. If you are undertaking a larger project with HES funding, it is expected that you will incorporate training opportunities where practical and give consideration to locally based individuals to address local skills shortages. If you are delivering training opportunities like apprenticeships, you will also have considered how your project can help to increase the diversity of the historic environment workforce and lead to positive employability outcomes, particularly for young people.

GRANTS PRIORITY 6: INCREASE ECONOMIC BENEFITS FROM THE HISTORIC ENVIRONMENT IN A SUSTAINABLE AND INCLUSIVE WAY

Our grants make an important contribution to local economies by regenerating historic assets and areas, promoting tourism and leading to job creation.

To achieve this priority, your project will be able to show that local economies have been boosted as a result of our grant investment. This could be by bringing

vacant historic buildings back into productive use, helping to encourage enterprise in the area, or by creating new jobs to staff a repaired historic site or as part of the supply chain for a grant-aided project. On a wider level, your project may be generating increased income for local businesses by attracting new visitors or users to the area. You will also be able to demonstrate that HES funding has leveraged additional investment in the historic environment, multiplying the impact of our grant.

You will be able to demonstrate that the benefits generated by your project will be sustainable and inclusive. For example, you must provide evidence in your grant application confirming the actions you will take to adopt/demonstrate a commitment to equalities and the Scottish Government's Fair Work First principles. You will also have considered how to maximise benefits for local communities and manage the impacts of changes such as increased tourism.

- **New open programme (Historic Environment Grants)**

In recognition of the need to streamline our programmes, introduce flexibility and align with other funders, we are introducing a new open programme for project funding called Historic Environment Grants. This new programme will replace the Historic Environment Repair Grant, Historic Environment Support Fund, and some aspects of Archaeology Programme Funding and the Organisational Support Fund. This new approach will enable applicants to apply for capital and activity costs under one programme, rather than making multiple applications.

Take for example the redevelopment of a historic mill building. The majority of costs would be historic fabric repairs, but alongside this we could contribute to the cost of archaeological recording of the structure and interpretation of historic mill equipment for visitors, such as school groups. Another example would be an ancient monument project involving both consolidation and archaeological investigation. Alternatively, there can be purely activity-based projects focusing on engagement or training.

The programme will be structured with three different tiers of funding - with lighter-touch application processes for lower funding requests and more regular opportunities to apply for funding throughout the year as shown below:

Express Grants: Between £1,000 and £25,000

- Applications accepted on a rolling basis
- Decision within 6-8 weeks

Small Grants: Above £25,000 and up to £100,000

- Three application deadlines per year
- Decision within 10-12 weeks

Large Grants: Above £100,000 (normally up to a maximum of £500k)

- Three application deadlines per year
- Decision within 12-16 weeks

All applications will be assessed through a competitive process. The above decision timeframes are informed by our internal assessment and decision-making processes, including the extent of internal expert advice which needs to be sought and the timing of panel meetings. Whilst we need to adhere to these timeframes in most cases, we will consider requests for decisions to be fast-tracked in exceptional cases, such as emergency repairs to prevent loss of significant historic fabric.

In order to ensure that funding is evenly distributed, we will make use of appropriate caps for each funding tier and decision meeting. Applicants will be advised that there is normally a maximum grant request amount of £500k but that larger grant requests will be considered in exceptional cases. Financial need will continue to be a key factor in decision-making, and we will normally contribute a maximum of 50% towards grant eligible costs (depending on financial need and availability of match funding). However, we may make a higher contribution in the case of some projects, such as emergency repairs where there is a strong case for why more match funding cannot be secured. We will also take into account in-kind and volunteer contributions to recognise the full contribution being made by the applicant or community.

Applicants will be asked to explain how their project aligns with our new Grants Priorities. Our expectations will be proportionate to the level of grant requested, with more Priorities expected for higher requests; however, the specific context of each project will be taken into account to ensure that expectations are realistic. For example, a project focusing on a remote ancient monument will not be expected to achieve the same outcomes as one involving a historic building in an urban area. In an effort to make our grants investment more strategic and help guide applicants to develop successful projects, we will provide application guidance and topical guidance in areas such as repair, skills and archaeology, as well as linking to existing resources.

To demonstrate a continued priority for projects which look after and protect historic fabric, there will be a weighted Grants Priority (Grants Priority 3: Strengthen the resilience of Scotland's historic environment) for the larger grants stream (grants above £100k). There will also be a list of eligible costs (Appendix 2) so that activities funded remain suitably focused and aligned with our new Grants Priorities. Key points relating to eligible costs are summarised on the next page:

- **Revised guidance for repair grants**

New *Guidance for Repair Grants* will be developed to replace our current *Advisory Standards of Repair*. In addition to outlining the expected approach and standard of work, this new document will provide clarity on points of grant eligibility, helping applicants to better understand from the outset how much they can apply for, but it will still retain flexibility to allow the specific circumstances of each project to be taken into account. It will also provide clearer guidance about application requirements to help streamline the application process.

This new guidance will continue to prioritise historic fabric repairs and consolidation, but other physical works which improve the sustainability of historic environment assets and demonstrate innovative ways of achieving our Grants Priorities may also be deemed eligible for grant as part of a wider repair or consolidation project. Any such costs will be assessed in terms of their potential impact on historic fabric and value for money, and an appropriate grant intervention rate will be determined by HES. A few examples of costs which may be considered eligible are listed below and will be outlined in more detail in our *Guidance for Repair Grants*:

- Reinstatement or retrofitting of sympathetic energy efficiency measures
- Adaptations to help historic environment assets cope with the effects of climate change (e.g. increased rainfall)
- Other physical works to protect historic fabric (e.g. electrical rewiring, lightning protection, and in exceptional cases, installation of fire suppression systems to protect highly significant and vulnerable historic fabric)

- **Interim repair of at-risk heritage assets**

When it comes to historic fabric repair, comprehensive projects which secure a sustainable future for heritage assets will continue to be our priority. These projects normally take a holistic approach as well as achieving a high standard of repair. This approach is necessary to ensure the longevity of the repair and sustainability of the fabric. It also helps to secure the supply of traditional materials, skills and techniques which are critical to successfully care for Scotland's historic environment.

However, we recognise that fundraising for a major project may not be realistic or appropriate in all cases, potentially putting significant heritage assets at risk and leading to higher costs in the future. In such cases, we will consider providing up to £50k for 'interim works' such as repairs, temporary protective measures or other works which need to be undertaken urgently to secure the future of highly significant

heritage assets. Due to the number of at-risk heritage assets, applicants will need to meet specific criteria such as high heritage significance, immediate risk of loss or damage, financial need and a sustainable plan for the heritage asset. To ensure that there is sufficient funding for other types of projects, the budget for interim repairs will be capped appropriately, and grants for interim repairs will normally be limited to one per heritage asset within a three-year period.

- **Requirement for professional adviser accreditation or membership**

To ensure that an appropriate approach is taken when dealing with historic fabric, we will continue to require most grant-aided repair or consolidation projects to be led by a professional team which includes a Conservation Accredited Professional Adviser (Advanced Conservation Accredited for A-listed buildings). Other arrangements or suitably experienced advisers may be accepted in certain circumstances, and this can be discussed with HES when making an application.

HES supports the work which is undertaken by The Chartered Institute for Archaeologists (CIfA) to promote ethical practice, and to improve and maintain high standards of archaeological work in Scotland. At minimum, we require that the lead archaeologist on any HES supported project is a CIfA member. Where grantees are contracting professional archaeologists to undertake investigations, we expect that CIfA accreditation will be a material consideration in the tender process.

- **Funded maintenance plans for grant-aided works**

In recognition of the importance of ongoing maintenance of grant-aided repairs, production of a management and maintenance plan will now be a requirement for all repair grants over £25k. This will need to be created by the conservation-accredited professional team and can be included as an eligible cost under the Historic Environment Grants. Further information about maintenance planning will be available in *Guidance for Repair Grants*.

- **Archaeology**

Under Historic Environment Grants, we will accept applications for archaeology projects which deliver against our Grants Priorities, and guidance is currently being developed to assist applicants in this area. Historic Environment Scotland is a partner in the delivery of Scotland's Archaeology Strategy, and all archaeological projects we support must meet the objectives of the Strategy. The types of projects which are most likely to be eligible under Historic Environment Grants include works to manage at-risk archaeological sites, community-led

archaeology projects, training in practical archaeological skills and innovative archaeological investigation and interpretation activities. Those organisations which are seeking funding to delivery objectives specifically detailed in Scotland's Archaeology Strategy Delivery Plan should apply under our new Partnership Fund (see below for more information).

- **Thatched buildings**

The grants for maintaining thatched roofs which have been available under our Historic Environment Support Fund will continue to be available under Historic Environment Grants, with refreshed information about sourcing materials and other guidance.

- **Strategic investment in historic environment skills**

Up to now, we have supported historic environment skills training activities through our Historic Environment Support Fund, and many of our Historic Environment Repair Grants have included opportunities for apprentices. Under Historic Environment Grants, we are committed to taking a more strategic approach with regards to skills. We will continue to provide support for professional or volunteer skills development opportunities, but we will expect applicants to demonstrate a clear need for their proposals and will consider how this links with the Skills Investment Plan for Scotland's Historic Environment. We will also develop grants-specific guidance for applicants to help them understand and identify current skills gaps and provide information about complementary sources of funding for apprenticeships. We will also ask repair grant applicants and their contractors to consider potential training opportunities and aim to offer these to locally based individuals where possible.

In terms of eligible costs, experience has shown that the cost of employing apprentices can be a barrier for employers, especially at the beginning of a placement when the apprentice is less skilled. We also know that the number of new apprentices in Scotland has fallen significantly during the Coronavirus pandemic². We are therefore planning to explore the possibility of joint working with Skills Development Scotland and the Construction Industry Training Board to provide enhanced support for apprenticeships in priority skills areas. We will also offer support for capacity building costs (up to £25k) – such as regional historic environment skills audits, feasibility studies and investment in equipment or facilities – to support the development of sustainable historic environment skills opportunities.

² Construction Industry Training Board (January 2021). Statistical data comparing new construction apprentice starts in 2019 and 2020.

- **Resilience activities**

Under the previous Organisational Support Fund, historic environment sector organisations were able to apply for time-limited activities, such as business planning, to improve their resilience. As the historic environment sector recovers from the COVID-19 pandemic, these grants will continue to be available under Historic Environment Grants, where there is a strong case for how this will protect the delivery of key outcomes for the historic environment sector. Funding for these activities will depend upon budget availability and will be supported in partnership with other funders. HES will also remain open to opportunities to work in partnership with Scottish Government to administer further recovery funds for the sector.

- **Historic places of worship**

Historic places of worship will continue to be eligible for grants under Historic Environment Grants where there is a strong fit with our Grants Priorities. Given the increasing number of these buildings being made redundant, specific evidence will be requested to demonstrate that the building has a sustainable future. We will continue to follow the progress of the recently established Scottish Places of Worship Forum to better understand the challenges faced by historic places of worship.

- **New Partnership Fund**

With the introduction of the Historic Environment Grants to support project-based activities, the Organisational Support Fund will be replaced with a new Partnership Fund. The Partnership Fund will be smaller and designed for organisations which require revenue support to deliver key strategic outcomes which are aligned with HES' policy aims. These organisations are likely to be providing intermediary support for the sector and will normally be delivering outcomes on a national scale. Given HES's role as a strategic partner in Scotland's Archaeology Strategy, any organisations or individuals seeking funding for a project which addresses a specific objective in the Strategy's Delivery Plan will be asked to apply under the Partnership Fund. Any such proposals should be discussed in advance with the appropriate lead body in the Delivery Plan before HES is approached for funding.

Due to the ongoing nature of some of these activities, eligible organisations will be able to apply for recurrent funding where appropriate, but they will still need to make regular applications to allow impact and sustainability to be assessed.

- **Refreshed CARS programme**

Since 2007, HES has invested over £48m in 69 conservation areas in Scotland through our Conservation Area Regeneration Scheme (CARS). A recent review commissioned by HES confirms that the CARS programme has successfully supported heritage-led regeneration in Scotland, contributing to the repair of 1206 historic buildings, bringing back into use 44,000 m² of vacant floorspace and leveraging about £120m of additional investment into conservation areas. CARS schemes have also supported the delivery of wider outcomes relating to traditional skills training and community engagement.

With the economic impacts of COVID-19, and a renewed interest in localism, there is both a need and an opportunity to rethink the way that we make use of town centres, neighbourhoods and other areas. A recent report by the Town Centre Action Plan Review Group highlights the increased importance of the Town Centre First Principle in the COVID-19 era given the vital role town centres play in providing for communities³. Historic environment assets are a key part of Scotland's town centres, and they have a clear role to play in supporting communities to build sustainable, resilient and vibrant areas.

Our review of the CARS programme has found that there is strong support among stakeholders for the continuation the scheme, but it also highlighted areas for potential improvement. In response to this feedback, we are developing a refreshed version of the programme with some key changes summarised below:

- An enhanced partnership approach which builds stronger links with national funding partners and encourages collaborative working with a range of potential partners at project level.
- Introduction of a two-stage application process, including a development phase with financial and in-kind support from HES to enable a more meaningful place-making approach with stronger community engagement.
- Flexibility in defining scheme boundaries where there is a clear case for need and alignment with programme outcomes.
- Adjustments to third-party grant conditions to facilitate take-up of grants by property owners.
- Continued flexibility around intervention rates for third-party grants to increase owner engagement in areas of higher economic need.
- Continued requirement for conservation accredited professionals with an emphasis on framework agreements to ensure the quality of smaller projects.

³ Town Centre Action Plan Review Group (Feb, 2021). A New Future for Scotland's Town Centres: [A New Future for Scotlands Town Centres \(www.gov.scot\)](http://www.gov.scot) (p7).

- *New Guidance for Repair Grants* to provide clarity on expected standards of repair and grant eligibility and a more flexible approach to achieve priorities in areas such as climate action.
- A stronger focus on planning for ongoing maintenance of grant-aided works and enhanced mechanisms for monitoring this during the grant control period.

- **City Heritage Trusts**

While we intend to review the City Heritage Trust programme as part of our overall grants refresh, this will form a future phase of our work to be undertaken after the implementation of the Open Programme, Partnership Fund and new CARS scheme. In the meantime, we will continue to provide funding for Scotland's seven City Heritage Trusts, enabling them to use their local expertise to help communities look after and engage with their local historic environment.

- **Prioritising and targeting our investment**

When assessing grant applications, we will prioritise proposals with potential to deliver strong outcomes in line with our Grants Priorities. We will consider proposals relating to tangible and intangible heritage, as long as there is a clear and direct link to Scotland's historic environment. As per current practice, we will not fund repairs to movable assets, including maritime vessels and railway vehicles (N.B. not applicable to carved stones).

The degree to which a heritage asset is at risk will continue to be a key criterion for repair grant applications, although it will not be a formal requirement to be on the Buildings at Risk Register. For scheduled monuments, assessment of risk will be based on HES' scheduled monument condition monitoring programme.

When it comes to looking after other aspects of the historic environment, such as intangible cultural heritage, we will prioritise projects where the heritage is at risk of loss. Heritage significance will also continue to be an important consideration. Whilst designations will be an important aspect of the assessment, the wider significance – for example, as a community asset – will also be taken into account. We will also assess deliverability, sustainability and value for money.

As part of our effort to maximise the impact of our grants for the historic environment and communities, and ensure fit with key policy initiatives and strategies, we are developing a place-based investment strategy to help guide our grants decisions. The strategy will map data such as buildings at risk, social and economic indicators, regional Growth Deals and the geographic priorities of relevant partners. We will provide more information about this when it is available.

- **Working with other funders**

In today's circumstances, a partnership approach is essential for every funder. As part of our grants refresh, we will build upon existing partnerships with other funders and forge new ones to maximise the impact of our funds. This means continuing to work closely with organisations such as the National Lottery Heritage Fund and the Scottish Government to support the successful delivery of projects and maintaining our partnership with Architectural Heritage Fund to provide support for organisations and communities in the early stages of project planning and development.

As we develop our refreshed CARS programme, we will investigate potential areas of alignment with NHLF funding, Scottish Government's Place Based Investment Programme and the UK Government's Levelling Up Fund. We will also map and investigate potential partnerships with energy and sustainability NGOs to leverage funds or advice to boost the climate change outcomes achieved by our grant-aided projects. The skills and creative sectors are two further areas where there is potential for joint working with other funders. To assist applicants with their search for match funding, our refreshed grants website will include a comprehensive map of funding sources relating to Scotland's historic environment.

- **Improving user experience**

One of the main aims of our grants refresh is to improve the user experience of our applicants and grantees and make our funding as accessible as possible. In addition to streamlining our programmes, we are introducing an automated grants management system for the first time. This will provide an online portal to improve communications with applicants and grantees that will make it easier to do things like request payments or report on the progress of your project. It will also help us to assess eligibility and provide feedback on early project proposals before inviting full applications.

As we develop our new programmes, we are committed to making our forms and processes as simple and clear as possible. We will continue to offer pre-application discussions and site visits to applicants, prioritising lower-capacity groups and those who are new to our funding process. We are also currently working with colleagues to improve our service for handling early project enquiries to ensure that we signpost effectively to sources of support across HES.

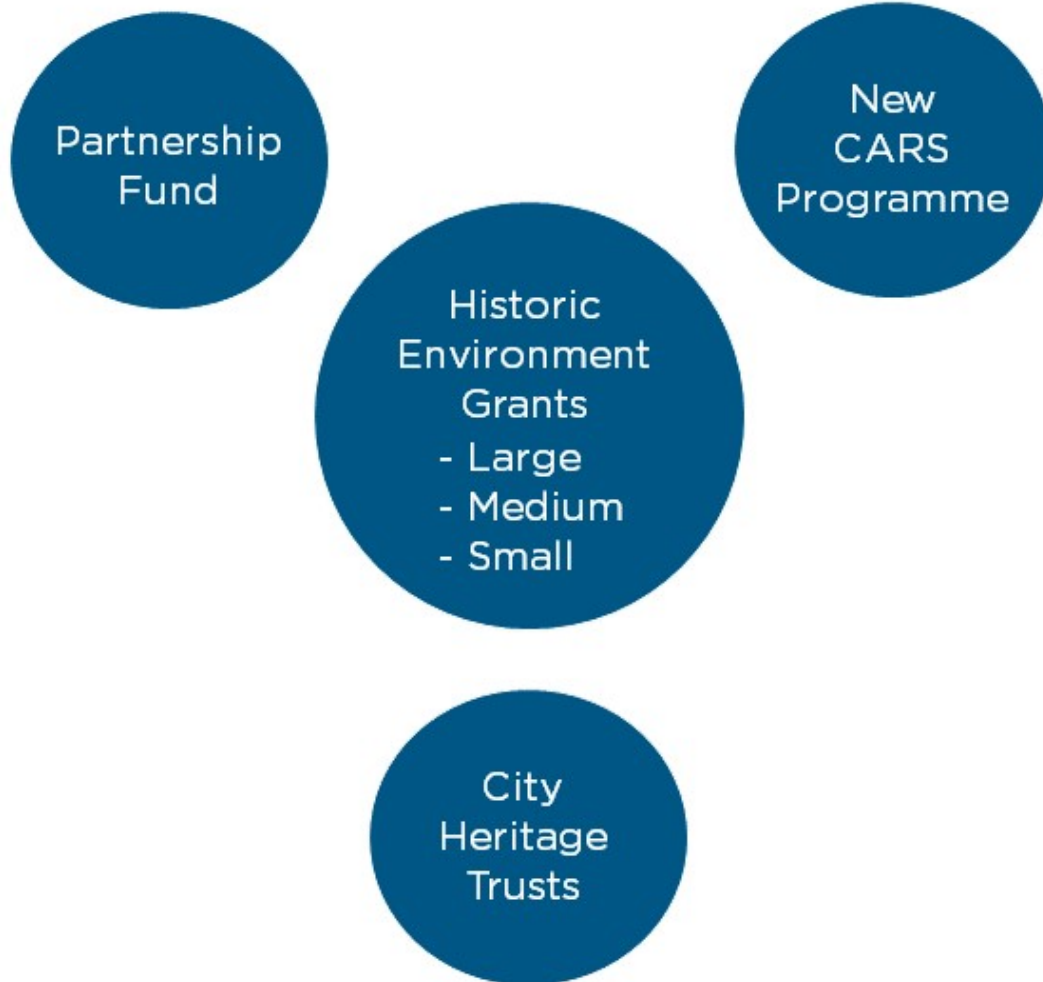
- **Communicating the impact of our grants**

Feedback from the public consultation highlighted that people would like to hear more about the projects we support with our grant funding. As we roll out our new grant programmes, we will continue to work with grantees to communicate the impact of our grants as well as considering new ways to promote the projects we support.

TIMELINE AND COMMUNICATION

The indicative timeline for the changes outlined in this document will be on a phased basis over the next 12 months as we roll out our new grants management system. Whilst these timescales may be subject to change, we are aiming to complete the launch of the new CARS programme by 31 March, followed by the launch of Historic Environment Grants and the Partnership Fund in Summer 2022. Existing programmes will continue to run in the meantime, and we will provide notice in advance of each programme launching. This will be communicated directly to existing grantees and advertised via our website, press releases and Built Environment Forum for Scotland (BEFS) bulletins.

APPENDIX I: PROPOSED STRUCTURE FOR REFRESHED GRANT PROGRAMMES



APPENDIX 2: DRAFT ELIGIBLE COSTS GUIDANCE FOR HISTORIC ENVIRONMENT GRANTS (OPEN PROGRAMME)

This guidance provides a basic overview of the types of costs which will be eligible for grant under Historic Environment Grants. Please refer to more detailed guidance in our *Guidance for Repair Grants* (if you are carrying out repair or consolidation work), *Guidance for Archaeology Projects* (if you are carrying out archaeological work) and *Guidance for Skills Projects* (if your project includes a skills component). Please note that not all eligible proposals will be funded – they will be assessed in competition with other applications according to our funding criteria.

What we can fund

Capital costs

- Conservation-standard repair and consolidation projects which secure a sustainable future for historic buildings or ancient monuments. Our priority is urgent works which keep structures stable and weather-resistant, but other works which increase the sustainability of heritage assets and demonstrate innovative ways of achieving our Grants Priorities may also be eligible for grant as part of wider repair or consolidation project. Please see our *Guidance for Repair Grants* for more detailed information.
- Where a significant heritage asset is at high risk of loss (and sufficient funding is not available for a comprehensive repair project), we can provide grants of up to £50k for interim works, such as emergency repairs or temporary protective measures. We can also fund minor repairs to make an asset safe or usable for temporary or exploratory uses. When considering such requests, relevant factors such as financial need, recent maintenance record and future sustainability of the heritage asset will be taken into account.
- Assistance towards the cost of maintaining or protecting traditional thatched roof structures for owners of historic thatched properties.
- Archaeological investigations which relate to sites at risk of loss or damage, will inform/enable conservation works or contribute to the long-term understanding and management of similar sites.
- Minor new constructions or adaptations to provide public access to historic environment assets
- Innovation in heritage science, including the development of new techniques to assist in the conservation and management of historic buildings, monuments and archaeological sites.

Activity costs

- Delivery of professional or volunteer skills development opportunities to address recognised historic environment skills gaps.
- Capacity building grants to support the development of sustainable historic environment skills opportunities (up to £25k to cover items such as production of local/regional historic environment skills audits, feasibility studies and investment in equipment or facilities).
- Delivery of activities or learning programmes to promote engagement with and better understanding of the historic environment.
- Production of interpretation media (digital, print, etc) or educational resources to support better understanding of the historic environment.
- Activities which support communities to record and share intangible cultural heritage which is closely associated with Scotland's historic environment.
- Expenses for volunteers working on HES-funded projects.
- Activities to improve organisational resilience (e.g. business planning, skills audits, training), where there is a strong case for how they will enable HES outcomes to be delivered in the longer term.
- Post-excavation costs (e.g. analysis, publication, dissemination and archiving) associated with HES-funded archaeology projects.
- Preparation of plans to improve future maintenance or management of significant historic environment assets or sites (please note that production of a 5-year maintenance plan is a requirement for all repair grants over £25k).

Other costs

- Professional fees (A variety of types of professional fees will be eligible to help deliver your project. More detailed guidance is available in our *Guidance for Repair Grants* and our *Guidance for Archaeology Projects*).
- Contingency and inflation on repair works.
- New or increased staff costs for delivering direct project activities.
- Costs to evaluate your project should be included in your budget (as a guide, you should aim to allocate 3-5% of your total project budget for evaluation).
- Third Sector organisations can claim a proportion of organisational overheads appropriate to the time or resources used for the HES-funded project. You will need to demonstrate your calculation for this.
- Non-recoverable VAT.

What we can't fund

- Recoverable VAT.
- Work or activity without public benefit and clear links to HES Grants Priorities.

- We will not normally fund development work such as condition surveys, but we may make an exception for heritage assets which do not qualify for support from the Architectural Heritage Fund.
- Work or activity that has already started before you apply for a grant.
- New-build work is only eligible in exceptional cases, such as site access and protection measures.
- Costs for internal fit-out.
- Demolition.
- Routine maintenance.
- Archaeological works undertaken in advance of the development of a site or archaeological investigation of sites which are subject to an active planning condition.
- Repairs to movable assets, including maritime vessels and railway vehicles (N.B. not applicable to carved stones).

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

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