



HISTORIC ENVIRONMENT  
ADVISORY COUNCIL  
*for* SCOTLAND

**Report and recommendations  
on the need for a heritage  
audit in Scotland and how to  
take it forward**

Presented to Patricia Ferguson MSP  
Minister for Tourism, Culture and Sport

October 2004

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## 1 Purpose of Report

The issue of the requirement for a Heritage Audit in Scotland and, if deemed necessary, how the Audit should be progressed was one of the five priority policy matters remitted for consideration by the Historic Environment Advisory Council for Scotland (HEACS) at its establishment in June 2003 by the Minister for Tourism, Culture, and Sport.

This Report outlines the general context of the historic environment and assesses the various issues that have to be addressed in dealing with the question posed. The Report concludes that a Heritage Audit is required, proposes specific courses of action, and identifies the mechanisms, organisational arrangements, and remit judged appropriate to meet the logistical challenges set by an Audit process.

## 2 Legal Issues

The report contains relevant advice on the historic environment to the Minister and consequently falls within the powers of the Council.

## 3 Financial Issues

There are costs involved in conducting a Heritage Audit and mainstreaming an audit process into Sector operations. The costs are estimated at £240k p.a. and the cost/benefit issues are rehearsed within the body of the report.

## 4 Acknowledgements

HEACS acknowledges the considerable help given to it by a number of individuals, who acted as expert witnesses. HEACS particularly wishes to register its appreciation of the assistance given by the Built Environment Forum for Scotland (BEFS) in its organisation of Scoping meetings.

## 5 Recommendations

It is recommended that

1. The Minister give formal endorsement to the proposals in this report.
2. The Minister instruct Historic Scotland
  - A. to set a Heritage Audit process in train.
  - B. to set up an influential Steering Group.
  - C. to address the remit and processes outlined in this report.
3. The Minister consider favourably the requirement to allocate additional funds to Historic Scotland to allow it to carry out the functions recommended in this report.

6.1 HEACS has concluded that a Heritage Audit is urgently required and has identified three grounds for the introduction of this process-

- to address the damaging absence of fundamental data within the sector and to enable decisions and action more on the basis of evidence and less on the existing foundations of routine practice and conjecture;
- to enable more cost-effective usage of financial and human resources within the sector and the allocation of resources on the basis of value for money rather than on past expenditure and presumption; and
- to address the perturbing issues of disjointed decision making and poor information management within the sector and to make decisions more co-ordinated, open and transparent.

6.2 HEACS has concluded that a heritage audit cannot be a single event and that such a process requires to become mainstreamed as a standard and continuous component of the operations of the historic environment sector. To that end HEACS has concluded firstly that a specific audit framework requires to be developed for the sector and secondly that, in order to share the relevant information as widely as possible and to involve all interested bodies in addressing the issues identified, an annual publication based on the audit process is necessary. HEACS regards an annual report covering the state of the Scottish Historic Environment as a

fundamental requirement for the future development of the sector, in that an annual report will act as a focus both for review and strategic forward planning.

6.3 HEACS has concluded that the Audit process, if it is to cover the immense scale of the historic environment, has to be conducted initially as a priority rolling programme over a period of 4/5 years, or until completion, and thereafter built into the normal working practices of Historic Scotland for Monitoring and Review. HEACS has determined that a three-pronged approach is necessary, moving firstly through a **sector-driven** audit process where the focus is on the areas of the sector which already produce some accessible data, through to an **issues-driven** audit where the focus is on areas of the sector which relate specifically to major broad-spectrum government policies and which produce data that can be collated in the interests of accessibility, and finally to a **gap-driven** audit where the focus is on areas void of information within the sector where the requirement will be to determine the indicators of a healthy historic environment and then seek to construct relevant data sets.

6.4 HEACS has concluded in terms of logistics that the only body which has the organisational structure, capability, and critical mass to coordinate a sustained programme of audit is Historic Scotland. The burden of this programme cannot be carried by Historic Scotland alone and a range of historic environment bodies and other Government interests require to

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become involved through a Steering Group. HEACS has set out a remit for the Steering Group which it believes will address the relevant issues.

6.5 HEACS estimates that the annual cost of the audit process, including updating, would be approximately £240k. HEACS believes that the costs, at less than 0.05% of current public expenditure on the historic environment, are wholly justified in terms of a cost-benefit analysis, in that the provision of a sound and verifiable evidential base would contribute to a significant value for money approach and justify the targeting of resources. Again, the burden of expenditure cannot be carried by Historic Scotland alone and from its current budget. In that HEACS, as an outside Agency, is suggesting that this additional responsibility and financial burden be undertaken by Historic Scotland, it is recommended that additional funding be made available to Historic Scotland to meet the new demands which would be placed upon it.

6.6 HEACS believes that the audit process will demonstrate the extent of the **value-added functions** of the historic environment, providing the Minister with the evidence base for promoting a wider understanding of the major importance of the sector and justifying the case for the input of additional resources to the sector as a worthwhile investment.

6.7 HEACS also believes that the audit process will demonstrate the extent of the **cross-sectoral contribution** of the historic environment, providing the Minister with the evidence base for promoting a wider understanding of the major importance of the sector within Government and justifying the case for the input of additional resources to the sector as part of the pursuit of wider government policies.

## RECOMMENDATIONS

7.1 HEACS recommends that

- Historic Scotland be charged with implementing the recommendations of this Report.
- A Steering Group be appointed to take the heritage audit concepts forward, under the aegis of Historic Scotland.
- The Steering Group consist of membership drawn from within and outwith the historic environment sector.
- The Steering Group develop an audit framework that can be applied across the sector.
- The Steering Group be remitted to undertake a sector-driven audit, an issues driven audit and a gap-driven audit over a 4/5-year period.
- The Steering Group agree appropriate methodologies, oversee the preparation of briefs and let any external contracts as necessary to collect and analyse data.
- The Steering Group work with various bodies and consultants to amass the relevant data sets.
- The Steering Group give consideration to the mechanisms required to turn the rolling programme of Audit into an annual report on the State of the Scottish Historic Environment
- The Steering Group conduct the Audit process openly as a consciousness-raising exercise and as a means of public engagement.
- The Steering Group work with the voluntary sector as part of a clear-cut engagement and capacity-building exercise.
- The Steering Group consider the establishment of a website as a discussion base and as a contribution point for everyone interested in the historic environment.
- The Steering Group consider the staffing required to enable the delivery of the Audit process.
- Additional resources be committed to allow Historic Scotland to discharge the responsibilities involved in conducting the audit process.

# the audit process

## INTRODUCTION

8.1 HEACS believes that a major process of change in political and public attitudes is currently underway in relation to the historic environment sector and notes the recent Scottish Parliamentary debate on the historic environment which drew many positive comments from Members and which demonstrated that there is a bedrock of political interest and support for the sector. However, there is a substantial background of previous neglect and negative perceptions of the sector with which to contend.

8.2 From the evidence presented to HEACS, the perception of many engaged in the sector is that the historic environment is under serious threat with widespread losses occurring year on year and, as yet, relatively little positive reaction to these losses amongst politicians. The sector is troubled by legislative confusion, a deficit in traditional skills, widespread dereliction of the historic built environment, and a serious lack of factual knowledge relating to basic numbers and conditions across the sector. The generally shared opinion is that the sector is underperforming and that the problems are not just being ignored but, more critically, are not even recognised because of the absence of accessible data relating to the historic environment. This situation is regarded as arising through lack of understanding or appreciation of the potential damage to the historic

environment and heritage interests; this in turn is seen as a consequence of the low status accorded to historic aspects of the environment and to a lack of coordinated action/organisation within the historic environment sector.

8.3 This negative picture stands in stark contrast to the situation in the natural environment where the threats are recognised and well publicised, the relevant institutions are well coordinated and organised, and politicians and the public are both knowledgeable and supportive. The data held by Scottish Natural Heritage, SEERAD and the Forestry Commission are accessible, comprehensive and informative. The media, particularly television, are notably supportive of the natural environment and thus the natural environment enjoys an immediacy of impact upon the public consciousness that is not shared by the historic environment, with the admirable exceptions of “Time Team” and the recent “Restoration” series of programmes. Even in terms of securing a public profile, the historic environment usually achieves this through negative and damaging publicity. This harmful coverage is frequently the result of public and media failure to comprehend the actions of heritage organisations when discharging their functions within remits and parameters set by Government.

8.4 From evidence presented to HEACS, those who see the problems within the historic environment as stemming from the political front would point to the following issues-

- Little recognition of the contribution which the historic environment makes to the full range of Government policies.
- Little recognition of the contribution which the historic environment makes to the Scottish economy.
- Little clout exercised on behalf of the historic environment within the overall portfolio of responsibilities discharged by the Minister for Tourism, Culture, and Sport, with the historic environment largely marginalised within Culture policies.
- A marked lack of financial resources allocated to the sector as a result of its perceived minor role within the range of Scottish political interests.

8.5 From evidence presented to HEACS, those who see the problems within the historic environment as stemming from the lack of coordination or organisation in the sector would point to the following issues-

- Lack of leadership at many levels, with neither national vision nor national strategy expressed as guiding principles for the historic environment.
- Local Government in possession of a major set of historic environment interests, but with no statutory duty of care and limited capacity to carry this out.
- Legislative confusion, with Planning laws and Conservation laws in conflict and users occupying the middle ground.
- Grants confusion, with allocations of limited resources being demand-led rather than strategy driven.
- Inconsistency within the release of Heritage Lottery Funds.
- The Voluntary sector, willing and eager to input effort but lacking in capacity.

8.6 In summary- there is a widespread view within the historic environment sector that

- Political devolution within Scotland and resultant administrative/organisational arrangements have not produced the dynamic changes expected, and that
- Scotland as a country is falling behind its neighbours in its concern for the historic environment.

**the sector is troubled by a serious lack of factual knowledge relating to basic numbers and conditions**

**with the historic environment largely marginalised within Culture policies**

The Minister has set in train action to address many of the perceived problems in the historic environment sector

9.1 HEACS believes that the situation in the historic environment sector is not as bleak as outlined in the previous section and that considerable changes of a positive nature are already in process. HEACS detects a rise in public interest in the historic environment arising from improved information services provided by heritage bodies and from the impact of heritage oriented programmes in the Media. HEACS also believes that the importance of heritage issues to various government policies is being increasingly recognized and that there is now a consequent wider political engagement both at local and national level.

9.2 HEACS takes the view that the Minister, in remitting five\* major heritage issues for consideration to HEACS, has set in train action to address many of the perceived problems in the historic environment sector and has established the grounds for an extensive and encompassing review of the historic environment. Following this direction by the Minister, HEACS itself has added a further three\*\* heritage issues to its work programme to ensure that the review process does achieve a strategic overview of the sector.

\*/\*\* See Annex for details

9.3 Given the recent Quinquennial Review of Historic Scotland in 2003-2004, the prospective review of RCAHMS, along with the current UK-wide review of the Marine Historic Environment, the proposed Planning Bill and the recent consultation on the system of Historic Environment Grants administered by Historic Scotland, it is clear that with the projected completion of the HEACS tasks by the end of its first term in 2006, a very substantial amount of the historic environment will have been subjected to detailed examination, allowing both the Minister and all Heritage interests to reach a comprehensive overview of the sector and determine future progress on a stronger evidence base.

10.1 HEACS, in addressing the question ***“If there is a need for a heritage audit in Scotland, and, if so, how to take it forward”***, is dealing with the fundamental issue of the importance of evidence as the basis for action, and the results of this consideration have the potential for significant impact on the entire sector.

10.2 The phrase “Heritage Audit” is open to a number of interpretations and the terms require to be defined in order to determine the scope of investigation.

**Definitions - Heritage and Historic Environment**

10.3 It is important to set the concept of “heritage” in the appropriate context. The starting point is naturally the historic environment. HEACS has adopted, with a slight word re-ordering, the definition of the historic environment contained within the Historic Scotland publication “Passed to the Future”, viz.

**The “historic environment” is an umbrella term which refers to aspects of our environment. Our environment, whether rural or urban, on land or underwater, has a historical dimension that contributes to its quality and character. This is most obvious in our tangible built heritage of ancient monuments, archaeological sites and landscapes, historic buildings, townscapes, parks, gardens and designed landscapes, and other remains resulting from human activity of all periods. It encompasses the context, or setting, in which these features sit and the patterns of past use in landscapes and within the soil, and in the towns, villages and streets. It also has less tangible aspects recognized as the historical, artistic, literary, linguistic and scenic associations of landscapes. These various elements contribute fundamentally to our sense of place and cultural identity.**

the process of change

Heritage is an essential or intrinsic part of cultural identity

10.4 HEACS would add to this definition, only to make explicit that which is implicit, that **contents and movable objects** are regarded as inextricably part of the tangible aspects of the historic environment.

10.5 **Heritage**, described by the Minister in the recent Parliamentary debate as “the broad panoply of our inherited and contemporary culture” can be regarded as our collective inheritance, as residents of Scotland, of the Scottish historic environment in all of its aspects, acceding as citizens not only to rights in respect of that environment but also to duties and responsibilities for the protection of that environment in order that our successors in future generations may in turn enjoy the benefits of our stewardship. Heritage is therefore an essential or intrinsic part of cultural identity, a focus for the transmission of cultural values from age to age, and essentially a major contributor to concepts of inclusiveness and sustainability.

10.6 HEACS welcomes the Minister’s reference to contemporary culture which allows for creativity and innovation within the historic environment as each generation re-interprets its inheritance and adds to it through both significant reinvention and current day additions.

#### Definition - Audit

11.1 In terms of our consideration HEACS has taken the view that Audit should be defined in its most familiar sense as an act of measurement and that the purpose of the act is to compile statistical information that can be analysed and then used for management purposes by all groups which have an interest in the historic environment. It is a staged process that focuses specifically on information-gathering that is then subject to categorisation and manipulation and which provides a framework for management decisions. HEACS also takes the view that audit is an iterative process, with an annual rolling programme of audit being the basis of formative and summative assessment. It is vital to emphasise this point that “a heritage audit” cannot be regarded as a single event.

11.2 It is important to signal the reason for adhering to the accountancy definition of an audit as the historic environment is, by common agreement, not easily reducible in all of its aspects to a set of figures. HEACS would suggest that this approach is necessary to ensure that qualitative issues and judgements are founded upon relevant information. Audit is specifically aimed at producing and utilising raw data as an evidence base and eschews the anecdotal and assertion modes of argumentation. It is important to emphasise that evidence is only valuable where it is widely shared and to stress that an audit report is the critical access point for the professional and general public.

#### The Need for an Audit (1) - To address the issue of the Absence of Fundamental Information

12.1 The lack of baseline information/statistics about the historic environment in Scotland is widely acknowledged. Solid facts about the historic environment in Scotland are limited. A great deal of information is collected by Local Government, professional organisations and voluntary groups for their own purposes but this information is not collated on a national scale to provide an overview. There is no evidentiary base on which to make any overall judgement on the health or conditions of the historic environment.

12.2 There have been previous attempts at auditing the historic environment, for example the Scottish Environment/No 5 Link Audit of the Historic Environment (March 2001). Whilst raising concerns in general about the sector that audit was clearly hampered by a lack of data, particularly in the fields of architecture and conservation.

12.3 The situation in Scotland stands in contrast to the position in England where audit efforts have been undertaken and have resulted in publications such as “Power of Place” and the “State of the Historic Environment” Report, along with the most recent report “Heritage Counts”. It is important not to exaggerate the difference, as the authorities in England regard their efforts so far as merely the partial collation of data with a great deal of work remaining to be done in order to refine the information and make it a useful management tool.

12.4 HEACS considers that the sector cannot continue to function with any degree of effectiveness where the information is limited in scope and the distribution of knowledge within society is restricted. HEACS regards an audit process as offering the route to address the known problems of information deficiency.

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our inherited and contemporary culture

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### The Need for an Audit (2) - To address the issue of the Cost-Effective Targeting of Resources and Effort

13.1 Without hard information the sector, politicians and the public are working in a vacuum. There is nothing of real substance on which to base policy, strategy, planning or resource allocation. There is a clear value-for money aspect to this, as we are expending at least £60 million p.a. of public money directly on the historic environment, (and perhaps twice/thrice that amount is spent in the private sector) and yet we have no overall understanding of the outcomes of that investment.

13.2 Without hard information on these outcomes the focus is mainly on small scale negative issues and we have to rely on assertions, anecdotal statements and credible analogies and extrapolations from the experiences of other countries.

13.3 Without hard information on the strategic issues in the sector there can only be a series of uncoordinated responses from a range of organisations. The Voluntary Sector in particular could play a more effective role if it could be engaged within a recognized strategic framework. There is a clear harmonisation aspect to this, as data collection can indicate not only the areas where problems exist but also point up those areas where successes are being registered and emulation possible.

13.4 HEACS considers that the sector cannot continue to function with any degree of efficiency where the concept of value for money is relegated as a priority. HEACS regards the audit process as offering a route whereby rational approaches to the utilisation of financial and human resources can be developed and is a means that will engage respect for the treatment of data.

### The Need for an Audit (3) - To address the issue of the Sector's requirement for Strategic Oversight, Direction and Development

14.1 HEACS considers that there is an urgent need for an Audit in order to develop through practical experience the formal framework or technique which will address the major areas of concern that have been identified. Audit should be seen as a multi-purpose tool; as providing an information base for the historic environment, as a device for monitoring changes in the historic environment, as a methodology for assessing pressures within the sector and as a process for identifying patterns and trends. No review of any part of the historic environment can be carried out without some form of an audit process and it is important therefore to develop a framework that can be applied universally across the sector.

14.2 HEACS also considers that there is an urgent need for an Audit in order to develop the formal management information processes which require to be introduced in order to bring purpose and direction into the sector. Audit should be seen as providing the basis for the creation of a strategic vision whereby Action Plans can be developed, Priorities can be identified, Key Performance Indicators can be developed and Finance can be more closely targeted.

14.3 HEACS further considers that it is only through the development of an audit process that a reliable mechanism can be established for sharing information and on which it will then be possible to found an Annual Report on the State of the Scottish Historic Environment, a document which could have significant implications not only for heritage organizations but also for the political and public attitudes towards the sector and the required strategic investment.

### Taking the Process Forward (1) Audit Areas

15.1 The problem with the all-inclusive definition of the historic environment which HEACS has adopted is that the scope is limitless; any attempt to address all the issues simultaneously in a saturation audit operation cannot but fail, as the problems of interpretation and usage would be unmanageable, even if there were no restrictions on financial or human resources. On the other hand, neither a selective nor a thematic audit would be sufficient to do justice to the heritage sector.\* \* See Annex for details

15.2 In practice it is necessary to take the view that an overall picture of the sector cannot emerge overnight and cannot be achieved without resources. It can only be achieved through a rolling programme of selective and thematic audits building up to a saturation audit and properly funded at all stages. Over a period of time the cumulative effect will be ever-greater coverage of the issues and also, since each completed audit will require to be constantly updated on an annual basis, ever-closer refinement of understanding of findings. Basically the Audit should be viewed as establishing a baseline that is extended annually by studies and research designed to expand the data set. It has to be accepted that considerable gaps will exist at the initial stages but equally accepted that a strategy and a framework is in place to address these gaps.

15.3 Such an approach demands a three-pronged approach to auditing the historic environment and HEACS considers the following strategic approaches as credible starting points, not only for the relevance of the areas identified but also for the accessibility of data. The strategic approaches are listed in time sequence.

### 16.1 Strategy 1: The Sector-Driven Audit

Under this strategic approach the focus would be upon heritage data that are known to exist and are readily identifiable. In this category would fall the following –

- The List
- The Schedule
- The Survey
- The Register
- Grants
- Statistics
- Contractors' Data
- Buildings at Risk
- Professional Expertise
- Voluntary Sector

These aspects are identified as some of the data are already on the web and much of the data are held by Historic Scotland, the Scottish Executive Development Department (statistics on Planning Applications), RCAHMS, and Local Authorities both generally and specifically on archaeology through the Sites and Monuments Records.

16.2 As an exemplar of the above, all Historic Scotland information on grant-aid could be made available on the web on an annual basis. Further development could include a single web-based source of information on number, type and map-based location of all listed buildings, conservation areas, inventory designed landscapes and known archaeology. HEACS understands that some of this is already in place through PASTMAP.

16.3 Obviously there are significant IT issues to overcome to address this strategic approach and if a GIS-based end product is to be produced there is a requirement for the relevant bodies to work together to bring about an integrated structure.

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the strategic approaches demonstrate the extent of the value-added functions of the environment

**17.1 Strategy 2:  
The Issues-Driven Audit**

Under this strategic approach the focus would be on the heritage impact upon significant areas of political importance. It is suggested that in this category would fall the following-

- Education
- Tourism
- Social Justice
- Economic Regeneration
- Public Awareness/Engagement
- Legislation
- Health

These aspects are identified since data are known to exist but are not gathered or collated on a basis which relates to the historic environment.

**18.1 Strategy 3:  
The Gap-driven Audit**

Under this strategic approach the focus would be upon the gaps identified in the previous strategic exercises. It is assumed that the gaps will be identified through the lack of obvious data. It is suggested in this instance that the gap areas are firstly defined within a framework which specifies the indicators which would represent a healthy heritage and the relevant data are then constructed and sought within that set of indicators.

**Rationale**

19.1 The strategic approaches are suggested for two particular reasons; firstly to demonstrate through collection of the relevant data sets in the identified areas the extent of the value-added functions of the historic environment, thereby providing Ministers and the Public with the evidence base for a wider understanding of the major importance of the sector and thus justifying the input of additional resources to the sector as a worthwhile investment; secondly to demonstrate through collection of the relevant data sets in the identified areas the extent of the cross-sectoral contribution of the historic environment, thereby providing the Ministers with the evidence base for a wider understanding of the major importance of the sector within Government and justifying the input of additional resources to the sector as part of the pursuit of wider government policies.

19.2 The collection of information is of course only the first step in the process. Without analysis of the data the information would be largely inert. An assessment of the current conditions which exist in the various sectors is required in order to establish priorities and to predict the impact on future revenue streams. It is suggested that sample pilot studies/surveys could be carried out to assess physical conditions, vacancies, rate of overall loss and more tangential issues such as insurance and reinstatement values. It may be that some analysis work could be linked to the work already undertaken by the Planning Division of the Scottish Executive in its regular audit of the performance of Planning Authorities.

**Taking the Process Forward (2)  
Logistics and Mechanisms**

20.1 HEACS has given careful consideration as to how a heritage audit might be implemented in practice. HEACS has weighed carefully the practical issues of coordination and financing, along with the need to complete the exercise within a credible time-scale. HEACS has considered the immense and sustained effort that will be required not only to undertake the strategic approaches recommended but also to maintain the annual update of the entire data sets so that a State of the Scottish Historic Environment Report can be undertaken on an ongoing basis.

20.2 HEACS has concluded that Historic Scotland is not only best placed to initiate and to oversee the audit process but is also the only organisation that has the critical mass to coordinate the work required over a period of years. An "Audit of the Historic Environment" is in fact contained within the Historic Scotland draft Corporate Plan and Historic Scotland has already carried out preliminary investigation. In addition it is of particular importance that Historic Scotland has access, both direct and indirect, to professional and financial resources.

20.3 HEACS recommends that the Minister issues clear instructions to Historic Scotland that it undertake the responsibility for conducting the required audit and that it set out in due course a procedure for mainstreaming the audit processes into its normal operational programmes.

20.4 However the process envisaged is of such an extent and of such duration that Historic Scotland cannot be expected to carry the burden on its own. HEACS recommends that Historic Scotland involves other groups and agencies. The

following are examples of the other groups that might work productively in a Steering Group.

- (a) HEACS itself, given the range of Reviews to be undertaken by HEACS at the request of the Minister and also the aspects of the Historic Environment added by HEACS to its programmed work.
- (b) BEFS, given its interest in a range of historic environment issues and its identification of key areas of investigation.
- (c) Local Government, CoSLA and HLF, given their important historic environment responsibilities.
- (d) RCAHMS, given its involvement in Survey and Archive.
- (e) Academia/Consultancies, given their extensive involvement in historic environment research and scholarship.
- (f) Analytical services and perhaps Audit Scotland of the Scottish Executive, given their expertise in audit processes.

20.5 If a number of groups can be involved in the process of audit and are willing to accept the consequent corporate responsibility, then the work burden can be shared and the funding of both HEACS and BEFS through the Historic Scotland vote can be seen to have a valuable return. HEACS would be willing to offer advice on the composition of a Steering Group if requested by the Minister.

20.6 The involvement of other groups in the process of Audit would contribute to cultural change within Historic Scotland, allowing it to be more pro-active, particularly in the area of partnerships, and encouraging it to move towards more integrated working with other agencies. It would also give some motive power to the various championship roles that many would like to see being exercised by

Historic Scotland is the only organisation which has the critical mass to coordinate the work required

Historic Scotland and the other major bodies within the historic environment.

21.1 HEACS recommends that

- Historic Scotland be charged with implementing the recommendations of this Report.
  - A Steering Group be appointed to take the heritage audit concepts forward, under the aegis of Historic Scotland.
  - The Steering Group consist of membership drawn from within and outwith the historic environment sector.
  - The Steering Group develop an audit framework that can be applied across the sector.
  - The Steering Group be remitted to undertake a sector-driven audit, an issues driven audit and a gap-driven audit over a 4/5-year period.
  - The Steering Group agree appropriate methodologies, oversee the preparation of briefs and let any external contracts as necessary to collect and analyse data.
  - The Steering Group work with various bodies and consultants to amass the relevant data sets.
- The Steering Group give consideration to the mechanisms required to turn the rolling programme of Audit into an annual report on the State of the Scottish Historic Environment
  - The Steering Group conduct the Audit process openly as a consciousness-raising exercise and as a means of public engagement.
  - The Steering Group work with the voluntary sector as part of a clear-cut engagement and capacity-building exercise.
  - The Steering Group consider the establishment of a website as a discussion base and as a contribution point for everyone interested in the historic environment.
  - The Steering Group consider the staffing required to enable the delivery of the Audit process.
  - Additional resources be committed to allow Historic Scotland to discharge the responsibilities involved in conducting the audit process.

## FINANCE

### Direct Costs

22.1 HEACS estimates that an annual audit would cost approximately £80k and that the upkeep of the base data, including publication of an annual State of the Scottish Historic Environment report would cost £20k per year. Staffing costs are estimated to be £40k p.a. Direct costs are therefore of the order of £140k p.a.

### Indirect Costs

22.2 HEACS estimates that the operation of the recommended Steering Group, including secretarial assistance and attendance expenses would cost approximately £60k p.a. The related I.T. provision, which is necessary to meet the objectives outlined, would require an input of approximately £40k p.a., though an application for Lottery assistance may be valid for this aspect. Indirect costs are therefore of the order of £100k p.a.

### Total Costs

22.3 The annual cost of undertaking and mainstreaming the recommended Audit process is therefore of the order of £240k p.a.

22.4 While it may be possible to direct some planned expenditure towards the process and it may be possible to secure Lottery funding to assist in the IT area, it is clear that additional funding is required to complete the exercise within a reasonable time scale of 4/5 years. HEACS appreciates that there are many competing demands upon Government funding but considers that any cost-benefit analysis would demonstrate that money directed towards the audit process would be highly worthwhile. Without the audit, we are working in a vacuum, where it is impossible to say whether existing investment in the heritage sector represents value for money or is being targeted correctly. The sum required, £240k p.a., represents less than 0.05 % of current public expenditure in the historic environment.

**the sum required, £240k pa represents less than 0.05% of current public expenditure in the historic environment**

**the process would do much to raise awareness not only of heritage problems but also of heritage successes**

23.1 HEACS has concluded that there is an urgent need for a Heritage Audit; indeed an audit is long overdue. The process, including widespread consultation, would do much to raise public and political awareness not only of heritage problems which require to be addressed but also of heritage successes that should be celebrated. The process would provide a management tool for strategic directions in the sector to be achieved on the basis of factual evidence. Audit analyses would provide evidential bases on which investments in heritage areas could be justified as sound financial programmes and value for money exercises. Finally, audit would provide the basis for the annual production of a Report on the State of the Scottish Historic Environment.

23.2 HEACS has also concluded that the scope and time involved in the audit process make it essential that Historic Scotland undertakes the coordinating role and works in collaboration with a range of bodies not only to overtake the required actions but also to provide the ongoing maintenance of the Audit process. HEACS believes that the investment of the required funding is justified on a cost-benefit basis since continuing to expend large sums in the heritage sector in the absence of factual data cannot be acceptable. Continuing to work in an informational vacuum cannot be regarded as a rational procedure.

23.3 HEACS is of the view that, without the factual evidence ingathered through an audit process, it cannot deliver effectively on the first aspect of its declared remit, viz. to advise the Minister on the state of the historic environment, or meet its primary objective of offering independent advice based on strategic oversight of the sector.

23.4 In commending this report to the Minister, HEACS would express the hope that, if the Minister finds the contents acceptable, he will give formal endorsement to the proposals and will also formally recognise the centrality of Historic Scotland to the future of the audit process and reporting systems for the heritage sector. HEACS would also seek the commitment of the requisite funds to discharge the obligations inherent in maintaining an audit framework and publishing an annual report on the State of the Scottish Historic Environment.

### HEACS 2004

### Tasks set by the Minister

- 1 The Five Tasks remitted to HEACS by the Minister for Tourism, Culture and Sport
  - (1) Whether there is a need to review heritage protection legislation in Scotland.
  - (2) If there is a need for a “heritage audit” in Scotland, and, if so, how to take it forward.
  - (3) How we ensure the availability of adequate and appropriate traditional materials and professional and craft skills to meet the needs of the built heritage.
  - (4) The role of Local Authorities in conserving the historic environment.
  - (5) The criteria that should be applied for taking historic properties into the care of Scottish Ministers.

### Tasks set by HEACS

- 2 The additional tasks taken on by HEACS as part of its contribution to the Historic Environment
  - (1) The Infrastructure for the Historic Environment.
  - (2) The Economic Significance of the Historic Environment.
  - (3) Funding for the Historic Environment.

### Audit classification

- 3 Audits can usually be classified into three types- selective, thematic, and saturation.
  - (1) The Selective type of audit, is regarded as the probe type of investigation where narrow and specific areas are examined and where the results are area or item-specific.
  - (2) The Thematic type of audit is where a range of areas may be examined but with a focus on a thread that runs through these areas, and the results are thread-specific.
  - (3) The Saturation type of audit is an entire-area focus with the results applicable to the whole topic area. The Saturation audit can also be achieved through a rolling programme of selective and thematic audits over a period of time.

### Methodology

- 4 The Audit Working Party has conducted its investigations by
  - (1) Reference to published literature from the Historic Environment Sector.
  - (2) Discussions with expert witnesses in a series of exchange sessions.
  - (3) Involvement in a series of Scoping sessions organised by the Built Environment Forum for Scotland.

