



## **WORKSHOP REPORT**

### **Historic Scotland's Support for the Voluntary Sector**

#### **CONTENTS**

Introduction	2
Initial Comments on the Consultation Document	2
Discussion of Consultation Document	3
Question 1 – Voluntary sector roles	3
Question 2 – Historic Scotland's investment objectives	4
Question 3 – Full Cost Recovery	4
Question 4 – Sharing/merging services	5
Question 5 – Funding infrastructure gaps	5
Question 6 – Support to local projects	5
Question 7 – Support to Building Preservation Trusts (BPTs)	5
Question 8 – Support to BPTs in tackling Buildings At Risk Register	6
Question 9 – Deciding grant awards	6
Question 10 – Sponsorship Fund	7
Summary	7
Participating Organisations	8

## INTRODUCTION

The workshop took place on Wednesday 2<sup>nd</sup> August 2006 and was attended by 24 individuals and representatives of organisations with an interest in the consultation on Historic Scotland's support for the voluntary sector. The purpose of the workshop was to provide an opportunity for discussion on the questions posed in the consultation document and identification of key themes arising from discussions. The workshop in particular considered what is welcomed in the document, issues of concern, and points for clarification. Representatives from Historic Scotland and the Scottish Executive's Voluntary Issues Unit were welcomed to the workshop.

Points raised in workshop discussion are given below. Some queries were clarified in the workshop and responses are given in italics. This report should be read in conjunction with the consultation document.

## INITIAL COMMENTS ON THE CONSULTATION DOCUMENT

The consultation document was welcomed.

It was observed that there is some confusion over the type of grants that the consultation is focusing on.

The breakdown of the figure of £1.6M investment in the sector was queried as Historic Scotland's Annual Report gives a total of £450, 637 being invested in the voluntary sector, with £13, 620 being awarded through the sponsorship fund. *It was confirmed that the figure of £1.6M includes funds awarded under Building Repair Grants. The sum for future years will be determined by the 2007 Spending Review – Ministers will be required to lay a budget by September 2007. The outcome of the Spending Review will apply to monies after 2008.*

*It was confirmed that reference on page 6 of the document to joined-up policy making includes joined-up policy across all parts of the Scottish Executive.*

A definition of indirect costs for volunteer input of committee members is required. *In response it was noted that indirect costs refer to costs associated with the general management of the organisation.*

Clarification was sought on how the timetable for reviewing grants for archaeology aligns with this current review on voluntary sector support. *In response it was confirmed that the report arising from this current review will be out in October. The Archaeology Programme is forward committed to April 2008; there will be no changes made before this time.*

On the definition of the role of voluntary organisations, it was noted that the work of Building Preservation Trusts does not currently fit any of the categories outlined at section 3.2. The promotion and development of skills should also be recognised as a role.

Clarification was sought on the position of Building Preservation Trust management fees in relation to Full Cost Recovery. *It was confirmed that management fees are paid under Building Repair Grants and are therefore treated separately.*

The availability of case studies on the application of Full Cost Recovery (FCR) to smaller organisations was raised.

Participants queried how the proposals relate to Heritage Lottery Funding priorities. *It was noted that there is increasing co-operation between the HLF and Historic Scotland.*

*It was noted that FCR for organisations will vary – there is no one model that can be used to apply the principles of FCR to all organisations. Guidance is currently being prepared by the Scottish Executive and Scottish Council for Voluntary Organisations and this will be targeted towards smaller organisations.*

Participants queried the relation with local authorities and the need to facilitate joint funding proposals to funding bodies with different strategic objectives.

Participants queried the extent to which FCR will involve funding a proportion of activity rather than the whole activity. *In response it was noted that FCR will liken the funding relationship to buying a service from an organisation.*

It was noted that within investment objectives there must be some benchmarking of quality. *In response it was confirmed that there will be benchmarking integrated into measurement of outcomes.*

## **DISCUSSION OF CONSULTATION DOCUMENT**

### **Question 1 – Voluntary sector roles**

The key areas missing from the document in terms of roles that the voluntary sector plays are as follows:

- Development of knowledge and skills (this is covered under the HS objectives and should be identified as a voluntary sector role as well)
- Casework activity: this can have implications for national perspectives. Some Local Authority funding is provided for casework activity however this is minimal given the time spent on this type of activity. General feedback from Local Authorities suggests that casework is a valued activity. The funding of casework was discussed. Participants understood that Scottish Executive legal advice states that casework cannot be funded. Participants were keen that this be revisited.
- Education and research
- Development of understanding, enabling participation and enjoyment
- Providing access
- Encouraging networking
- Regeneration work carried out by Building Preservation Trusts
- Providing support
- Records management/archiving
- Focus on cultural landscapes

## Question 2 – Historic Scotland’s investment objectives

- Some participants noted that the objectives given under 4.2 should not be weighted or prioritised in any way. Others felt that this applies to most, but that objective 1 (To care for, protect and enhance the historic environment) has overriding priority.
- It was felt that casework falls under the objective ‘To care for, protect and enhance the historic environment’.
- The general principle of building capacity was supported, although further clarification was sought on the detail.
- The range of activities covered by the objectives is quite broad and it was suggested that in order to manage this range of investment activity, further capacity in terms of skills and knowledge would need to be developed within Historic Scotland.
- Records management/information dissemination is a key area that should be covered under investment in the voluntary sector.
- Investment should include some benchmarking of quality.

## Question 3 – Full Cost Recovery (FCR) and 3-year funding

- The principle of Full Cost Recovery (FCR) was welcomed, however concerns were expressed over the unknown extent to which accounting and reporting systems will change.
- The proposed 3-year basis to funding was considered an improvement on current practice, although some felt that this could go further. An agreed programme of work aligned with the aims and objectives of the organisation should reduce funding instability.
- Positive benefits arising from FCR and the proposed 3-year funding cycle were seen as:
  - Transparency and discipline
  - Focuses an organisation’s attention on what its outcomes are and the cost of these
  - Sense of realism
  - Enhances partnership ethos
  - Encourages better planning.
- Participants were keen to see further examples of the implementation of FCR / a model. Concrete guidance will be required to facilitate the transition.
- The monitoring and assessment of progress against targets will be a key part of this proposal. Some concern was expressed over the time required in agreeing outcomes and ongoing monitoring; the potential administrative burden was of particular concern to smaller organisations. Participants were keen to receive further information on the detail of agreeing outcomes, and monitoring against these.
- The funding of ongoing work and how this could be accommodated under a 3-year funding cycle was queried, as many projects (particularly building projects) have an ongoing or longer timescale.
- Concern was expressed that under this new regime, the funding of casework will suffer.
- Concern was expressed over the proposal timescale for implementing this new regime, and clarification sought on transitional arrangements. Any transition should be supported by training in new methods. *It was noted that Historic Scotland does have its budget allocation for 2007, and therefore could start making offers on a rolling 3-year basis from April 2007, with outcomes adjusted every year.*

- Clarification was sought on whether in kind costs would be included within the FCR regime – participants were keen that volunteer input is appropriately accounted for.

#### **Question 4 – Sharing/merging services**

- It was highlighted that many organisations already work in partnership and that this joint-working should be recognised. For example, Building Preservation Trusts often work in temporary partnerships on a project by project basis, providing advice to local organisations in a ‘mentor’ capacity.
- Views on merging organisations or sharing common services varied according to the scope of the proposal. Positive benefits could come from sharing space and equipment. Merging of organisational aspirations is another matter and further clarification was sought on the scope of this proposal. It was noted that achieving efficiency savings through merging could be fraught with difficulties (particularly where organisations differ in size) and that greater effectiveness might be better achieved by combining outputs.
- It was generally felt that organisations could build capacity by working together and sharing common services. This would be enabled through improved networking.

#### **Question 5 – Funding infrastructure gaps**

- It is anticipated that the Mapping Research will provide some information on the gaps – for example whether these relate to skills or geographic coverage. Further discussion on programmes and outputs would be welcome.
- It was suggested that any funding of gaps in infrastructure should be directed towards existing organisations that might take on an expanded role to fill such gaps. Organisations could themselves indicate whether or not they would be interested in meeting the gaps in provision.
- Overall it was felt that Historic Scotland should make a case for increasing its budget and remit.

#### **Question 6 – Support to local projects**

- Participants agreed that more support at the local level would be appropriate, but that this should not be at the expense of funding the more strategic operations of national bodies.
- Clarification was sought on what is considered as local (for example would Building Preservation Trusts be considered local organisations?). The document addresses local organisations at this question, however the overall tone of the document is directed towards national organisations.
- It was noted that local initiatives can be packaged as national projects – such as the Scotland’s Rural Past Project.
- It was noted that national bodies do run local initiatives.
- Funding of local projects would have management implications for Historic Scotland.
- It was noted that local projects can often access other sources of funding. For example support to local projects may overlap with Heritage Lottery Fund initiatives.

#### **Question 7 – Support to Building Preservation Trusts**

- Funding of BPTs through the Architecture Heritage Fund should continue.

- For Building Preservation Trusts, the key issue is availability of core funding. The current system of charging a percentage management fee never covers the cost of project development work – Trusts therefore work at risk for years. HLF project management grants do not cover management costs. Considerable time is spent by BPT staff in pulling together different funding sources – this work in itself is difficult to fund. Participants queried whether working on a FCR basis will allow for project planning/lead-in.
- The projects undertaken by BPTs typically have long lead in times; with support in the early stages being provided through core funds. Support for early feasibility work must continue in some form (similar perhaps to the HLF Project Planning Grants).
- Any surplus on the sale of BPT projects is clawed back by funding bodies which makes it very difficult to build up reserves or revolving funds to invest in the development of future projects.
- BPTs supposedly get funding for advocacy work however participants were unaware of who receives such funding, and the levels involved. A comparison was made with the Archaeological Grant Scheme where all direct and indirect benefits including advocacy, education, publications are built into funding applications and therefore grants.

#### **Question 8 – Support to BPTs in tackling the Buildings At Risk Register**

- Typically such projects will have a long timeframe (greater than 3-years).
- Local Authorities use Compulsory Purchase Orders (CPOs) at considerable financial risk. Funding support to enable greater use of CPOs and enforcement would help prevent buildings reaching a more advanced state of dereliction before action takes place.
- If the Buildings At Risk Register is to be used as a 'source' for Building Preservation Trust (BPT) activities it should be as complete as possible.
- The Register requires long term investment.
- Success in tackling buildings on the Buildings At Risk Register requires the positive involvement of owners and the Local Authority as well as BPTs.
- It was suggested that Local Authorities could have a 'duty of care' in looking after historic buildings within the authority area.
- Inappropriate repair of 'ordinary' buildings is an additional form of risk.
- Some kind of emergency works grant scheme to stabilise decay would be very valuable.

#### **Question 9 – Deciding grant awards**

- Proposals for deciding grant awards were welcomed – in particular the earlier timeframe for decision-making on grant awards, and prospect of working in partnership with Historic Scotland.
- Clarification is required on which grants are being covered by this review process.
- It was understood by participants that they would be required to reapply in year three and that the 3-year funding programme would have built-in flexibility for managing outputs.
- Ease of reporting is a concern – particularly for very small organisations which it was suggested could be afforded some flexibility.

## Question 10 – Sponsorship Fund

- Greater transparency relating to the operation of this fund is welcomed.
- Despite the smaller sums involved, policies to aid application and decision-making on grants should underpin the management of the fund.
- Some sought clarification on whether recipients of grant under any other stream of grant assistance will be able to apply to the sponsorship fund.

## SUMMARY

Many of the issues raised are concerned with implementation of the proposals. Participants are keen to receive further information on the proposed processes.

What is welcomed:

- Principle of Full Cost Recovery
- Proposed 3-year basis to funding – an improvement on current situation
- Flexibility in monitoring and reporting under 3-year basis
- Proposed administrative arrangements
- Opportunity for greater dialogue between organisations and funders
- Capacity building through joint working and sharing of common facilities
- Suggestion that organisations take on expanded roles to fill gaps in infrastructure provision
- Funding of local bodies, although not at the expense of funding national bodies
- Greater transparency in Sponsorship Fund
- Consultation with the voluntary sector

Concerns:

- Overall size of the budget
- Implementation of Full Cost Recovery in diverse sector
- Administrative burden of reporting to fit the scale of grant/size of organisation
- The voluntary sector covers a broad range of roles – additional roles not currently identified in the document include development of knowledge, understanding, skills; casework activity; Building Preservation Trust activity
- Need for period of transition to facilitate implementation of FCR
- Need for recognition of existing joint working within the sector
- Clawback of surplus funds on BPT projects
- Scope of proposals to merge organisational aspirations – ie beyond sharing of common facilities
- Need for funding support to Local Authorities to enable greater use of Compulsory Purchase Orders, and for an emergency works grant scheme
- Variety of funding sources available – disjointed approach in terms of meeting varied corporate objectives. Need for concordat between Historic Scotland and COSLA to address gaps

Clarification sought:

- Ambiguity/confusion over different types of grant covered in the document
- Model (s) on implementing FCR
- The figure of £1.6M investment in the voluntary sector was queried
- How in kind costs, and project development undertaken by BPTs, will be handled under FCR

## **PARTICIPATING ORGANISATIONS**

Architectural Heritage Fund

Architectural Heritage Society of Scotland

Association of Local Government Archaeological Officers - Scotland

Association for the Protection of Rural Scotland

Association of Preservation Trusts – Scottish Committee

Buildings of Scotland Trust

Built Environment Forum Scotland

Council for Scottish Archaeology

Edinburgh World Heritage

Garden History Society in Scotland

Historic Environment Advisory Council for Scotland

National Trust for Scotland

SCAPE Trust

Scottish Civic Trust

Scottish Lime Centre Trust

Scottish Redundant Churches Trust

Society of Antiquaries of Scotland

Society for the Protection of Ancient Buildings in Scotland

---

BEFS: August 2006