

INVESTMENT REVIEW

ARCHAEOLOGY FUNDING PROGRAMMES

**SECOND STAGE (FINAL) REPORT – CRITICISMS AND SUGGESTIONS
FOR CHANGE, WITH HS RESPONSES AND PROPOSALS**

Historic Scotland
24 July 2008

INTRODUCTION

This report complements the first stage report completed in January 2008, and readers are referred to that report (available on the Historic Scotland website or on request from Historic Scotland HQ) for detailed background, copy of consultation paper, etc.

In this report, HS responds to the comments made by respondents by setting out clearly, with justification, whether it agrees or disagrees with criticisms and comments, wholly or partly, and what changes it has introduced and what actions it intends to take.

This report is in two main sections:

- detailed criticisms, comments and HS response – an item by item listing derived from the first stage report
- a review of the main recurrent themes and where HS stands on each.

Note: In the interests of conciseness “HS believes/considers that” is used rather than “Historic Scotland’s operational response, and any policy advice offered to Ministers in respect of these general issues, will be founded upon the considered view that the best way forward is...” – and so forth.

SECTION 1: DETAILED CRITICISMS, COMMENTS AND HS RESPONSE

ARCHAEOLOGY PROGRAMME

Q1. Which aspects of the Archaeology programme work well, and which less well, under the current arrangements? (9 responses)

Good features: characteristics listed below were felt by some or many respondents to be features which should be retained in any future system:

- Expectation that projects address specified strategic or research themes
- Concentration on relatively small, tightly-specified projects
- Increased possibility of commitments lasting more than one financial year
- Commitment to projects – once funded, they have priority over new entrants
- Looking beyond narrow site boundaries to wider context
- Multiple partnership working – if kept un-bureaucratic
- Breadth of eligibility
- Ability to support strategic framework-setting
- Multiplier value of grants, especially to universities
- Provisional notification of bid outcomes in January rather than April

HS notes and welcomes approval for these aspects, all of which it intends to maintain.

Criticisms – and HS response

Criticism	Response
Survey projects disadvantaged over excavations	Not accepted: no evidence of such a pattern in recent years programmes
Inconsistency in date of notification of bid success or failure	Accepted, resolved. Already tightened up by introduction of notification monitoring by Archaeology programme manager from December 2007
Poor feedback to failed applicants	Accepted, resolved as above
Annual cycle of bidding and allocation inhibits long-term projects	Accepted, resolved. This has been an issue, but has already been addressed. Annual funding is a characteristic of all HS programmes but commitment in principle to multi-year support can be (and is) given when appropriate.
Use of Archaeology programme money for capacity building in the sector	Not accepted: a considerable degree of capacity building is seen by HS as being a valid and worthwhile use of the available funds.
Too little emphasis on post-excavation and publication	Not accepted: HS prioritises project completion and publication over new starts. There are, admittedly, attitude problems in persuading excavators to finish and publish, but HS does what it can to persuade and encourage. (Note 1)
Archaeology of historic buildings poorly represented among funded projects	Accepted this is an issue, and arises partly out of bid-led programme. (Note 2)

Projects on islands unfairly advantaged	Not accepted that unfairness exists: there is no preconception about where funding is allocated in geographical terms. Projects on islands are admittedly numerous, but this arises from bid-led system, with islands archaeology being the target of much research and islands archaeologists particularly skilled at structuring good proposals. However, HS will consider if some form of positive discrimination could be applied to encourage bids from “cold spots”. (Note 3)
Significant gaps in research responsibilities between different divisions of HS.	Accepted, in that HS does not operate in all aspects of historic environment research, but this is deliberate – HS research is problem-oriented and effort shifts as necessary. Where appropriate, HS aims for close inter-divisional working, for example on climate change issues.
Estimates process takes too long	Not accepted: 3 months from closing date to provisional notification of outcomes compares well with other grant-giving bodies, and is required for proper consideration.
Single closing date for project bids	Not accepted: given the size of the overall programme budget, a single annual process, but one with a degree of in-year flexibility, appears to offer best value for money in terms of operation and administration.
Priorities revisited insufficiently frequently	Accepted: twin issues of irregular review and of multiplication of priorities over time. It is intended that HS’ published priorities be internally reviewed annually before the bidding process commences, and formally refreshed with external consultation every 5 years (maximum) (Note 4)
HS’ own Historic Buildings Repair Grant programme does not support best practice in respect of buildings archaeology	We welcome the increased understanding of the issues concerning buildings archaeology by conservation professional advisers. HS will review the current scheme guidance in 2009 and this issue will be considered then.

Notes

1. HS maintains its efforts to reduce “backlog” – unpublished excavation reports for projects completed many years ago – and has made considerable progress in recent years. In some case, however, the personal circumstances of excavators and the lack of any effective sanction makes this difficult, and there is a residuum of projects where, to be blunt, completion must await retirement or the abandonment of the project by the excavator either formally or through demise. Nowadays projects are structured to allow for immediate post-excavation, including work between seasons, rather than the outmoded practice of digging for several seasons and only then beginning to write up. It is also now standard practice for HS programme manager to pursue earlier resolution of “stalled” projects.

2. The present programme is bid-led, and it is proposed that remains the case. However, HS staff could do more to encourage more bids which fit well with

priorities identified by HS, working with potential applicants to shape up good proposals. This would also help to reduce pointless applications and at the same time make the total of bids received more representative of genuine “demand” in the finding system.

3. It is a persistent misconception that the archaeology programme manager pre-allocates blocks of money to geographical areas, and that in years when a given area gets less than a previous year, that they have “not got their share”. This is not, and has never been, the case – funds must follow needs. Funds are allocated on the basis of the quality of proposals in terms of how they fit with HS published priorities and the quality of project design. There is no doubt that islands areas have traditionally done well, but this is an effect of historical momentum – there is a lot of research interest in islands archaeology, so many researchers wish to undertake projects. At the same time, coastal erosion offers many sites in the islands which require rescue excavation and which can at the same time contribute to research agendas. HS will consider what more it can do to stimulate stronger bids from areas of Scotland which are not currently well-represented in the funding programme – typically southern and central inland areas.

4. Priorities have tended to be added over the years without any being removed. Longer term, priorities will be explicitly linked to national research agendas, while in the short term efforts will be made to concentrate on a smaller number of priorities. For 2008-9 the main priorities are:

- coastal erosion and climate-change linked threats in general
- wetlands – assessment and potential
- urban archaeological data and its use in managing historic areas of towns
- backlog reduction and production of outstanding reports more generally.

Q2. What are the key current and future challenges that the Archaeology programme should address? (11 responses, some very detailed)

Structural and capacity issues

Challenge	HS comments and proposals
National research agendas – looking beyond HS’ own needs	Agreed: HS has developed and is supporting a project led by Society of Antiquaries of Scotland to develop a national framework and a set of coherent research agendas (see below **)
Local capacity-building	Agreed: HS supports and has supported a number of capacity-building activities, ranging from building national tools, such as Historic Landuse Assessment (jointly with RCAHMS) to supporting local Community Archaeologist posts. (Note 5)
Support for local SMRs – but doubt expressed over whether this should come from Archaeology programme or elsewhere	Agreed that the level of resources available to local SMRs is an issue, and this is an area where HS is in active discussion with Association of Local Government Archaeological Officers and with RCAHMS. However, decisions on resourcing lie with local authorities and HS should not be expected to act as a main funder.

Available funding levels, especially for new projects	The question of programme funding levels has been referred to HS senior management for consideration.
Developing the archaeological skills base	There is a real discussion to be held about the extent of the role of HS in supporting/developing professional skills and standards. At present HS engages with the Institute of Field Archaeologists and other bodies in developing standards, but does not have any responsibility for training professional practitioners (apart from its own staff).
Public awareness and engagement needs to be strengthened	HS is committed to improving public engagement, both hands-on and intellectual, with all aspects of the historic environment, on the principle that public support will grow with involvement and understanding. However, the main focus of HS funding in archaeology is on the physical remains, so public engagement will continue to be promoted through site-focussed work, for example the successful Shorewatch programme.
Backlog – innovative approaches to publishing old projects	HS will continue to work with anyone who can help bring inactive or slow-moving excavation reports to press. However, there are limits to how much can and should be spent to bring increasingly aged material into the public domain. (Note 6)
Funding powers if new heritage legislation is introduced	The fact that general funding powers for archaeology are contained in the current legislation, which is otherwise strongly designation-focussed, has already been noted as a pit to be kept in view during consideration during review and consideration of need for new legislation.

Notes

5. One situation HS consistently encounters is that when it provides “seed corn” funding for local archaeological initiatives, it often proves difficult for such projects to move into mainstream long-term existence, even when acknowledged as successful. There is therefore a pattern of repeated “pilot” projects, a feature archaeology shares with many other sectors. HS will continue to explore how local capacity can better become embedded.

6. Much has been done to reduce backlog already, with major publications appearing at a steady rate. Current initiatives include using older project archives as quarries for university research degrees and also as teaching collections. It must be noted that most older projects were not solely funded by HS (and its predecessors), and this shared interest means HS usually does not have the right to seize control of archives and hand them over to others to write up reports. So progress can be slow. A separate but important consideration is that with the passage of years questions may arise as to the value and cost-effectiveness of trying to write up old projects to modern standards, and increasingly HS may chose to deal with backlog by commissioning summary reports only, to accompany structured archives, rather than pursuing traditional “full” reports.

Knowledge gaps and cross-cutting approaches

Challenge	HS comments and proposals
Historic Landuse Assessment – especially delivering for end-users	HS remains committed to national coverage and has confirmed its continuing financial support for the joint project managed by RCAHMS. User guidance is to be commissioned during 2008-9.
Environmental history	The growth in landscape approaches, and the increasing value of environmental and economic data derived from scientific work, are both important trends in archaeology. However, they can be costly, and HS will continue to seek to work alongside other funders to support interdisciplinary projects which benefit both human and natural sciences.
Past sea-level change (adaptation theme)	(See also previous comment) Environmental change is of great interest both from the narrow perspective of threats to the archaeological resource and from the wider perspective of studying past human adaptation as an indicator for current rapid change scenarios.
Dating more sites by C14 and other methods – keyhole projects	HS is cautious of such approaches, due to the difficulties of understanding the site formation processes by which samples from small excavations came to be buried. However, well-justified proposals will be considered on their merits. HS also sees potential in looking again at samples held in store from older excavations, and is currently supporting work by the National Museums of Scotland in this field.

Physical threat-led challenges

Challenge	HS comments and proposals
Upland archaeology (especially in face of windfarms)	The pervasive threat of such development is accepted, but HS believes that the best approach is to promote general understanding of the issues and in particular agreement on questions such as how impacts on setting should be assessed and weighted, and the extent to which entire landscapes can and should be protected rather than key sites and areas within wider landscapes. Environmental Impact Assessment within specific proposals should cover the rescue and mitigation aspects, and HS will continue to participate in key inquiries where archaeology or other historic environment issues are key.
Coastal erosion (two respondents saw this as the over-riding priority)	Support for survey, recording and excavation will continue to feature high in HS priorities for the foreseeable future. In contrast, we feel that only rarely will physical protection be justifiable, given the relative costs of excavation and long-term protection.
Animal burrowing	The issue is well-understood now, and HS believes conservation effort should be focused on preventing

	damage where possible, ideally working with rural land managers in broad-based schemes rather than creating small “islands of protection”. There may be a case to excavate important sites where management appears intractable, but the objective will primarily to rescue knowledge about the character and date of sites and not about the issue of damage.
Agricultural damage	Mechanisms of damage are now well understood (with the main exception of biochemical damage to artefacts) and HS efforts should concentrate on management of key sites, excavating only as a last resort.
Wetland archaeology	HS continues to believe Scotland’s wetland archaeology is an under-studied and under-appreciated resource, and is working with academic and commercial interests to try to raise the profile (and funding) of this area. A programme of high-profile fieldwork is proposed, subject to gaining additional external funding support to match HS input.
Surveys of buildings and landscapes faced with significant change or neglect (proposed as a joint initiative with RCAHMS)	Generic and regional threats already play a major part in the strategic planning of the operations of RCAHMS and in HS project-funding decisions and this will continue to be the case.

Q3. What changes would you like to see made to policies, priorities or procedures? (8 responses)

Policies

Proposed change	HS comments
Support for major themes of Understanding, Caring, Communicating and Involving	Agreed: these themes fit well with HS high-level corporate objectives.
5-year rolling programme?	Agreed in principle, although of course not all projects need 5 years. Intention is to have a periodic major refreshment of strategic priorities.
Set up an advisory group to assist in setting strategic priorities	Accepted, but in modified form. It would be hard to create a well-informed advisory group which was not largely populated by actual or potential grant recipients. Instead, it is proposed to work through research agendas/frameworks (see below) with HS then seeking to ensure its programme funds support nationally agreed research objectives as well as delivering HS operational objectives.
Stimulate and adopt national research framework and national and regional research agendas	Agreed: funding to support commencement of this process is already in place and formal agreement has recently been signed with the Society of Antiquaries of Scotland to provide impartial leadership and secretariat

	services.
Support local project facilitators	Partially agreed (but see Note 5 above). HS preference is to support national facilitation of locally-delivered projects, for example Council for Scottish Archaeology's Adopt-a-Monument programme.
Move away from annual to multi-year commitments	Agreed and already in practice where appropriate. HS currently funds several projects to which it has given long-term commitments, in one case extending over 6 financial years.
Consider staff capacity at HS as well as financial aspects	HS prefers to create capacity externally rather than to increase staff numbers. This has to some extent influenced responses in this document: HS tends to be cautious about proposals which increase internal workload unless the benefits to the historic environment are manifest and there is no other way of delivering them.
Establish a simple bursary or challenge fund	HS is attracted to this idea in principle, but would not wish to compete with Heritage Lottery Fund. There may be scope for simplified schemes in clearly defined areas of archaeological activity, and this will be explored.
Less focus on specific sites, more on context	This is already an established trend, with the landscape, chronological and cultural context of site-base projects becoming ever more prominent. HS will continue to support this trend.

Priorities

Proposed change	HS comments
Educate and engage non-archaeologists and non-professional archaeologists	Agreed: already an accepted objective, working with appropriate national bodies such as CSA. Also (outwith scope of this review) HS conducts educational activities based on its own managed portfolio of high quality sites open to visitors.
Prioritise return visits to localities to present results of funded work	HS notes with approval the improvement in local presentations and open days during fieldwork, and agrees that in some cases support for a return visit to present results after post-excavation analysis should be supported. This could be coupled with efforts to publish more locally.
Clearer, firmer guidance needs to be published	Review of procedures and guidance is in hand, and will in future be delivered principally through HS' website.
Act on the information gathered by recent surveys, especially coastal erosion	Agreed, although this will require very careful targeting of resources. Work supported to the SCAPE Trust to develop prioritisation will form the basis of consultation during early 2008
More sophisticated prioritisation, taking account of significance of asset(s), level and urgency of need,	Agreed: the SCAPE work on coastal sites will provide a model which could be more widely deployed, and a more sophisticated approach will be supported by HS-led work on audit of the historic environment resource

specialist or public interest, general equity of effort	generally.
Reduce priorities and link to these research agendas	Agreed: see above ** and Note 4.
Fewer priorities (but no advice on what to give up)	Agreed: see above ** and Note 4.
SMRs to be supported to reach benchmarked standards	Agreed this is desirable, but decisions on resourcing lie with local authorities and HS should not be expected to act as a main funder.
Spend less in the islands compared with mainland Scotland	See Note 3 above. HS welcomes good quality project proposals regardless of geographical location, and will explore ways of encouraging “quiet” areas.

Procedures

Proposed change	HS comments
More transparency in decision-making	Agreed: this will be achieved through simpler and wider publication of criteria for decision-making. (Note 7)
Simplify estimates process, especially for ongoing projects	Agreed and in place: multi-year applications are already welcomed, and full proposals are not required in second and subsequent years unless the proposed project design and/or spending profile is changing.
Publication of lists of funded projects	Already published in HS Annual Review.
Simplify budgeting process	Process is already very simple compared with most other funders. HS will explore practicalities of on-line submission.
Later bidding dates <i>and...</i>	The internal consideration process takes time to do thoroughly, and HS believes that reducing the time spent would not produce significant benefits, while carrying risk.
...earlier outcome notification dates (the paradox was recognised by respondent)	HS now has a monitored notification process in place, to ensure outcomes are communicated as early as possible.

Notes

7. HS will investigate developing indicators which measure how effectively the programme is delivering on published priorities. One simple example could be to categorise bids and allocations and observe the change in percentage share between bids and allocations: if HS prioritisation is working properly, percentage share should rise in allocations for priority categories. Another might be to compare number of new projects started each year against number of projects brought to final publication / archiving.

ANCIENT MONUMENTS GRANTS PROGRAMME

Q4. Which aspects of the Ancient Monuments Grants system work well, and which less well, under the current arrangements? (6 responses)

Good features: characteristics listed below were felt by some or many respondents to be features which should be retained in any future system:

- Availability of Architects Advisory Reports
- Possibility of relatively high grant percentage in proportion to costs
- Rolling programme with no fixed annual submission dates

HS notes and welcomes approval for these aspects, all of which it intends to maintain.

Criticisms – and HS response

Criticism	Response
Total level of available funds	Responses relating to overall programme funding levels have been noted and will be considered during HS’ regular cycle of forward financial planning.
Waiting times for decisions	Agreed this can be an issue. However, there are good reasons for taking great care with proposals, due to the very strict controls over what is acceptable at ancient monuments and the direct linkage between scheduled monument consent and grant funding. (See note 8)
Very high HS expectations of recipients	Accepted, but high standard is justified. The ancient monuments legislation sets out stringent expectations of minimum necessary change and justification of need in relation to any work undertaken on scheduled ancient monuments. Partial or piecemeal conservation work often creates new problems as it seeks to address existing ones.
50% cap on grants for council-owned sites	Not fully accepted: local authorities have the same grant-giving powers for ancient monuments as does HS, so the legislation envisages a sharing of responsibility. However, HS will consider whether the local authority share might be made up of support in kind or in the longer terms – for example by costing project management services or the value of a commitment to long-term post-conservation site maintenance. (See Note 9)
Paucity and small scale of field monument conservation projects	Accepted this is an issue, but not accepted as a criticism of HS. There are capacity problems here which HS cannot address alone. (See Note 10)
Delays before funds become available – waits of up to 4 years	Accepted: this is, of course, a consequence of demand versus supply, and relates to the first item in this table. In practice, few serious AM grant applications wait as long as 4 years, although this has been a problem in the past. The practice now is to turn away applications rather than keeping them queued for more than 2 years.
Complicated procedures for relatively small grants	Not accepted: AM grants are not necessarily small – individual projects have received total sums in excess of £250 000. A facility exists to use a “lightweight”

	version of the procedures for small and simple projects.
Lack of widespread publicity for programme	Not accepted: level of publicity is not dissimilar to that for historic buildings grants schemes, and in any case applications always exceed available funds.
Concentration of spend on roofless ruins	Not accepted: available funds are spent on applications in order of importance and urgency. It is a fact that upstanding ruins are more likely to have truly urgent needs than are earthwork monuments. However, HS does, and will continue to, keep the mix of types of site under review.

Notes

8. In Historic Building Repair (HBR) grant applications, rapid decisions are the norm. Applicants for Ancient Monuments (AM) grant, often conservation architects who are familiar with HBR grant procedures, have expressed surprise that AM grant decisions can take much longer. However, offers “in principle” of HBR grant are based on outline proposals and may subsequently be negated by refusal of listed building consent. In contrast, because HS is directly responsible for scheduled monument consent, AM grant offers are only made once HS is satisfied that the project is not only grant-worthy but capable of being granted consent – indeed, formal consent may accompany the grant offer. There is no “offer in principle” stage for AM grants. AM grant projects are taken to a much more detailed stage of planning before a decision is given, but once grant and consent are confirmed, usually together, they can move rapidly to on-site implementation. While HS accepts that this may require extra project design work before a submission for AM grant (and consent) can be made, we feel this is not inappropriate given the very close level of supervision required over works to scheduled ancient monuments, where the principle of scheduling is that any works will be the minimum necessary consistent with the preservation of the monument.

9. One solution which is widely adopted in conservation circles is to pass ownership of sites into the hands of conservation or not-for-profit trusts – sometimes site-specific – towards which both HS and the local authority can contribute, and which also allows external funds to be sought with more chance of success. This allows more flexibility on percentage shares of funding burden.

10. Few conservation architects have the skills necessary for dealing with earthwork monuments, or indeed prehistoric standing monuments, while those who manage nature conservation projects, whose skill sets are often very close to those needed, are chary of venturing into this new territory. A further consideration is that for many field monuments the issue is not so much getting grant-aided one-off work done, such as removing trees or repairing broken vegetation on ramparts, but arranging for long-term care for the site to prevent such problems re-occurring. HS is already involved in projects such as the CSA’s Adopt-a-Monument scheme, which it is hoped will lead to more field monument-related projects coming forward with prospects of long-term site care. (See also *challenges*, below)

Q5. What changes would you like to see made to policies, priorities or procedures? (6 responses)

Proposed change	HS comments
No changes needed	While welcoming this vote of confidence, HS does believe some beneficial changes can be made (see below).
Prioritise community-led projects	Agreed in principle, but it is worth bearing in mind that for private owners, HS is one of the very few sources of financial support and expertise. Ancient monuments often have complex and costly requirements, while many owners have modest resources, with no prospect of income from their monuments, however well-preserved. HS will continue to consider all owners eligible, but will encourage owners who are not public/community groups to work with such groups where appropriate, especially over access and fund-raising issues.
Relax HS standards – accept adequacy rather than seeking perfection	As noted above, the tests for work on scheduled monuments is a very rigorous one, and this will be maintained. However, HS will consider if existing provisions for phasing of works could be more creatively applied, with priority going to the most essential works and others being deferred, to allow phased fund-raising.
Increase funding totals	Responses relating to overall programme funding levels have been noted and will be considered during HS' regular cycle of forward financial planning.
Publish information on policies, priorities and procedures	Agreed: this is already partly in hand with HS' new website, and updated guidance will be published by the end of 2008.
Simplify procedures	HS will consider procedural simplification in parallel with refreshing published information (see above).
Allow larger percentage grants because no profit for owners	Percentages are already negotiable, in some cases up to 100% for small works. However, HS believes that some degree of owner contribution is appropriate, primarily to ensure that works are carefully costed and managed and that longer-term care is considered.
Empower Monument Wardens to assist in applications, finding matching or alternative funding and/or project supervision	HS recognises the valuable role played by its locally-resident Monument Wardens in their present role, which is essentially about condition monitoring. Ways in which their undoubted skills and potential could be more proactively developed and deployed in support of caring for Scotland's nationally important monuments are already under consideration, in the context of continuous improvement of HS' Inspectorate.

Notes

11. Although not within the scope of this consultation, the question of VAT on repairs was raised. There are ongoing discussions both within and outwith government on this issue, which has wider implications than AM grant alone, and indeed tends to be more of a serious concern for historic building repair than for ancient monuments.

Q6. Do potential applicants and their professional advisers find the Architects’ Advisory Reports and other advice provided by Historic Scotland of value? (6 responses)

This question produced a unanimously positive response, and more than one respondent expressed the view that this service simply could not be sourced anywhere else.

- Split recommended works between essential and desirable
- More attention to ongoing maintenance needs post-conservation
- Reduce long waiting time for reports.

HS welcomes this positive response and will pursue all three detailed suggestions in discussion with our Architects and Conservators: the target will be to make reports more sharply focussed while not increasing waiting times.

MANAGEMENT AGREEMENTS PROGRAMME

Q7. What works well about Management Agreements, and what less well, under the current arrangements? (5 responses)

The following positive comments were made about agreements:

- availability of agreement is welcomed (but concern over low take-up)
- they deliver clear benefits (especially for forestry sites)
- they are effective but only with commitment on all sides

HS notes and welcomes approval for these aspects, all of which it intends to maintain.

Criticisms – and HS response

Criticism	HS response
Total size of budget (too small)	Responses relating to overall programme funding levels have been noted and will be considered during HS’ regular cycle of forward financial planning. While it is true that HS always exercises caution in entering into long-term commitments, since these can tie up money which may be more urgently needed elsewhere, it is equally true that there is no need for a Management Agreement to involve the transfer of money.
HS spends too much looking after its own estate and not enough on the rest of the archaeological resource	Not accepted: given that the importance of the historic environment assets to be managed is the primary determinant of where HS invests, and that by any assessment the portfolio of properties HS manages on behalf of the nation – in effect a “national collection” –

	includes a very large proportion of the finest examples of different categories and periods of monument, it is entirely appropriate that HS concentrates on these, both for their own sake and as examples of best practice for others to emulate.
Onerous and bureaucratic paperwork	Accepted, but procedures are largely set by primary and secondary legislation. HS has successfully created lightweight procedures where agreements secure long-term management but do not carry payment. HS will review what more can be done to simplify procedures, but this must be consistent with sound stewardship of public funds. It should be noted that grant application and consent application often run in parallel and that combined decisions can be given.
Huge potential, so why are there so few?	See Note 12 below
Lack of incentives or advertising	Not accepted: the level of publicity is not dissimilar to that for other funded programmes. The issue is probably the lack of published information about successful current examples – see Note 12 below.

12. One respondent perceptively linked several of the above comments, suggesting that because such agreements were rare, they were unfamiliar territory for land managers and for HS staff alike, so proceeded slowly: the argument being that increased volume would bring improved handling and build a “virtuous circle” of increasing familiarity and success. HS concurs with this assessment.

Q8. What are the key current and future challenges in the area of monument management? (6 responses)

Challenge	HS comments
There is a need for new means of encouraging management of “landscape-sized” areas, often in multiple ownership and subject to pervasive small-scale attrition rather than dramatic damage	Agreed in principle: HS notes the success of collaborative approaches to the management of the natural environment. The idea of widespread light-touch management is attractive but would be hard to prioritise in current grant systems, which favour tight focus and urgency. HS already works with the main agencies involved in setting parameters for state-supported integrated rural land management, (e.g. through SRDP) with a view to ensuring that the historic environment is considered alongside the natural environment, and considers such avenues, along with better information for land managers, may better repay investment than focussing on direct grant support.
HS is the only source of support for addressing natural threats to monuments	It is worth noting that the majority of land in Scotland is under some form of management, ranging from sporting estates through rough grazing to arable land and onwards to the intensive management of urban space. While threats may be “natural”, they are influenced in a wide variety of ways, some of which

	may attract grant form other public sources. HS believes that its funding powers are less significant here than its ability to focus the attention of land managers and other agencies on the value and needs of the historic environment.
It is important to remember that, especially for masonry structure, inaction does not equate to stability, but to continuing decay	The principle is not in question, but actions must be prioritised by importance of the asset at risk and the degree and urgency of risk.
There is a need to consider climate change and think ahead of present problems	Accepted: HS is already actively engaged in work at a variety of levels from the Climate Change Bill downwards. However, there is a need to ensure that a preoccupation with uncertain future risks does not distract from live present-day issues.
There is a need to expand capacity at HS in staff terms as well as in financial terms	HS prefers to create capacity externally rather than to increase staff numbers. This has to some extent influenced responses in this document: HS tends to be cautious about proposals which increase internal workload unless the benefits to the historic environment are manifest and there is no other way of delivering them.

Q9. What changes would you like to see made to policies, priorities or procedures? (6 responses)

Proposed change	HS comments
More staff time at HS devoted to monument management in general	In principle, HS agrees, and is working towards more efficient handling of consent-type casework to free up time for proactive management. This will continue.
Simple enabling/planning grants	HS already supports project planning and options appraisal where appropriate, but to do so too freely could waste resources which are needed elsewhere. Therefore HS will continue to expect proposed projects to demonstrate a good level of “ownership” and prior consideration before these come forward for financial support.
Target owners who cannot access other funding streams, e.g. non-farmers.	Apart from the difficulty and cost of identifying and targeting such groups, HS believes that multi-funded solutions often work well, so should not be ruled out. In any case, other funding streams, e.g. SRDP, are now becoming more widely accessible.
More advertising and encouragement of Management Agreements by HS	Agreed, but HS would prefer to move forward by example than by advertising, building a body of good practice (in the spirit of Note 12 above).
Simplified procedures and de-legalised wording	Procedures are largely set by primary and secondary legislation. However, HS will review what more can be done to simplify procedures, but this must be

	consistent with sound stewardship of public funds.
Link Management Agreements to Ancient Monuments Grants and wider government-funded schemes such as Rural Development Contracts	HS agrees that in many/most cases there should be no commitment to AM grant if there is not a long-term management commitment in place for monuments after grant-aided work is completed, and this will be adopted as formal procedural guidance. HS already works in close liaison with the funders and is currently exploring ways in which different potential funding streams can be made to operate in a complementary but distinctive manner.

BALANCE BETWEEN PROGRAMMES

Q10. Is the current distribution of funds among the three programmes equitable, and if not, how would you prefer to see funds distributed – and why? (6 responses)

Structure and operation of programmes

Proposal for change	HS response
Operate one, or at most 2 funds only (one for archaeology and one for all kinds of conservation)	In effect, this already happens: all 3 funded programmes covered by this review are managed by the same Team, which enjoys considerable freedom in terms of transferring funds in-year. However, the authority for funding arises in 3 distinct sections of the legislation, which suggests that keeping three separate “budget lines” may be wise, especially at a time when the need for legislative review is under consideration.
Create a new stakeholder group to assist in allocating funding	It would be hard to create a well-informed advisory group which was not largely populated by actual or potential grant recipients. Instead, it is proposed to work through research agendas/frameworks, see below, with HS then seeking to ensure programme funds support nationally agreed objectives as well as delivering HS operational objectives.
Concentrate spending on nationally-agreed priorities	HS agrees, and already builds into its decision-making process various strands of prioritisation, provided these are as representative as possible. Possible sources of future strategic direction include the archaeological research framework project just launched by the Society of Antiquaries of Scotland (with HS support) and also some of the outcomes of the ongoing programme of historic environment audit being led by HS. However, questions of urgency and tactical approach also require to be addressed, and here the work of HS Monument Wardens and commissioned studies such as SCAPE’s surveys of coastal erosion are likely to be key tools.
Make decision-making more	HS already reviews its processes more or less

transparent	continuously. Recent trends towards more openness and inclusiveness in the establishing of strategic agendas and more effort put into explaining decisions to applicants have received positive welcomes, and will continue. HS is already committed to identifying indicators which give a relatively simple measure for how effectively funds and staff time are being applied to strategic objectives, and HS intends to identify a small number of such measures for the programmes under review and publish these before the end of 2008 – some suggestions have been included above, at Note 7.
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Scale and balance of budgets

Proposed change	HS response
If budget must be constrained, move some funding from archaeology to conservation	Noted, and will be taken into account.

Q11. Is total expenditure on these activities, as a share of Historic Scotland’s overall budget, at an appropriate level? If not, which areas of our operations should be afforded a lower priority, so as to free up more funds for archaeology and monument management? (9 responses)

This question, perhaps unsurprisingly, produced a call for increase in the overall funding for all three programmes.

HS confirms that it will take note of the views expressed in considering future allocations. At the same time, HS notes that some of the suggestions may have arisen because of a lack of clarity in HS’ annual financial reports, and consideration will be given to whether these could be made more useful and transparent.

Arguments offered for an increase in programme funding levels:

- Real value of programme allocations has fallen in recent years due to inflation
- Archaeology programmes’ percentage “share” of the overall HS budget has fallen
- Archaeology budget is low compared with HS spend on “presentation” costs of £4.5m and advertising directed to HS’ own estate.
- HS annual expenditure on “other costs” of £7m (cited from Annual Report)
- Allocations are more akin to those for a region (English Heritage spending in Yorkshire was cited) than for a nation
- Funding levels should at least be doubled (no basis given for figure)
- Promote archaeological spending to (nearer) parity with historic buildings spending.

COMMENTS MADE OVER AND ABOVE RESPONSES TO SPECIFIC QUESTIONS (7 RESPONDENTS)

As noted in the first stage report on this review, there were several general points made outwith the review question format. Two of these are worth picking up here and making a formal response, because they do have relevance to how HS spends the funding entrusted to it, and directs the time of its staff, and have not been fully addressed above.

The balance of funding responsibilities between HS and the rest of Scottish Government was the focus of one comment. It was suggested that there was a tendency for government always to look to HS to deal with archaeology, rather than making appropriate provision for it in programmes or initiatives, even when it could be demonstrated that archaeology could make a real contribution to achieving overall government targets.

- HS feels that this view is based on a small number of past problems, and that nowadays consultation with our sister agencies and other parts of Scottish Government is strong and healthy, with the interests of the historic environment very seldom omitted from first considerations where appropriate, and always picked up through the discipline of Strategic Environmental Assessment of new plans and policies in the public sector, which acts as a further safety net. Such joint working has been in place for many years – the best-known example being the incorporation of archaeology into the system of formal Planning Guidance since 1994. More recent examples include the formal agreement with Forestry Commission Scotland which has led to all scheduled monuments on state-managed forestry land being managed to agreed standards at the expense of Forestry Commission, and the provisions made for funding beneficial management of sites on farms entering the successive agri-environment schemes, where funding has come from the predecessor departments of the Rural Directorate. Nor should it be forgotten that Transport Scotland, guided by Historic Scotland, willingly meets all costs of archaeology on trunk roads schemes in Scotland: the likely costs of which, for the M74 completion, considerably exceed the sums available each year under HS' own grant programmes.

The role of HS (and especially HS Inspectorate) as leader and facilitator was raised. Several general comments included “wish lists” identifying multiple examples of areas where action was deemed necessary, while recognising that such action would in most instances have to be collaborative within the whole sector, rather than being the sole responsibility of HS. Respondents were consistently looking to HS to lead, or at least initiate, the process of debate leading to action, even though it was recognised that HS might not necessarily fund all agreed outcomes.

- HS welcomes this positive view of our potential role as leader and facilitator, even where funds may be constrained, and confirms that we continue to regard engagement of our staff in this area as vital, both to HS role and to the health of the wider historic environment sector. We note, for example that the growth in developer-led archaeology since the early 1990s has fundamentally changed patterns of funding, so that HS funds represent only a modest

percentage of the sums spent on fieldwork each year. At the same time, we note that this huge increase in developer-led fieldwork has not been matched by any increase in academic or other institutional capacity, and that this places an increased expectation upon HS to assist in finding innovative ways of extracting and synthesising knowledge from the many unpublished reports of small-scale interventions around the country. This is a challenge we are already engaged with, working with academic institutions, commercial archaeology units and academic societies.

SECTION 2: RECURRENT THEMES

As noted in the first stage report, there are a number of over-arching themes which emerge clearly from the responses received. While each theme encompasses many separate strands, it seemed useful to offer a short comment at a more strategic level than in the preceding section.

Archaeology programme

Upstreaming: support was expressed for longer-term planning based on agreed research frameworks and agendas, with firm commitment of resources to multi-year projects once agreed.

HS entirely supports this approach. However, it is important to note that HS' archaeology programme's main reason for existence is not to fund research for the sake of acquiring knowledge in itself, but focuses on threats to the archaeological resource arising from "developer-less" damage and on the acquisition and dissemination of knowledge which will promote better management of the resource. This might best be characterised as applied research.

Openness: more transparency was sought in decision-making along with increased receptiveness to stakeholder inputs, more consistent engagement and feedback.
HS is already committed to these principles.

Capacity: support was expressed for the use of Historic Scotland funding to build institutional and voluntary capacity at local and national level, but some doubt as to whether this should be funded from the Archaeology programme or from some other source.

HS welcomes this support, and will keep the question of the most appropriate funding stream for such work under review.

Clarity: clearer, simpler operational procedures were advocated, backed by improved guidance setting out refined priorities.

HS has commenced action. New grant conditions will be introduced from the start of financial year 2008-9, with a programme of review of all published archaeology guidance to follow. Work has begun in parallel on a thorough review of funding priorities based on assessment of key threats to the resource, combined with support for refreshment of national research agendas.

Ancient Monuments Grants programme

Funding: concern was expressed over the level of programme funding, in absolute terms and relative to other Historic Scotland funding programmes and operational budgets.

Comments noted and under consideration.

Expertise: expert advice from HS Architects and other staff was ascribed a high value, but seen as offset to some extent by stringent standards set for work specifications.

HS welcomes this support and will cautiously review scope for changes, but notes that relatively strict requirements are likely to remain in place.

Capacity: community-based conservation projects were favoured, with a feeling that these might take precedence over larger “set-piece” monument consolidation exercises.

HS also strongly supports community engagement. However, the relative importance of sites and monuments themselves, plus the urgency of their needs, will continue to be the most important factor in decision-making for these programmes.

Clarity: clearer, simpler operational procedures were advocated, backed by improved guidance setting out refined (and reduced) priorities.

Review of published AM grant guidance will commence in April 2008 with a view to issue of revised guidance by end September 2008.

Management agreements

Advertise: the scheme was seen as poorly publicised and little understood.

HS believes that setting up and publicising practical examples would be more valuable than simply issuing more publicity, and will explore this course of action.

Simplify: the procedures were seen as being unduly onerous for the relatively small payments involved.

HS will re-examine the scope for changes within existing legislation and the need for updating.

Resource: the scheme was seen as being under-resourced, although it was recognised that this is a question of staff time as much as money.

HS notes this view, and intends to expand the number of agreements. This will necessarily be cautious, as each agreement ties up funds for many years.

Link: there was a feeling that the scheme needs to be restructured to work effectively alongside other sources of funding, notably the schemes operated by the Rural Directorate (although one comment suggested that the HS scheme should specifically target those who are not eligible for other grants).

HS recognises the need for close harmonisation between all government-promoted measures and is already closely engaged with the design of new rural support measures.

Balance

Combine: it was suggested that all 3 programmes, or at least AM Grants and Management Agreements, could be combined to improve financial flexibility and reduce paperwork.

HS tends to agree that already close relationship between programmes could be taken further, and will investigate scope, as time permits.

Concentrate: HS support, it was suggested, should focus on agreed priorities once these have been established – in all 3 funding streams – whereas at present too wide a range of projects qualify for funding.

HS agrees and is already moving forward, in collaboration with stakeholders.

Transfer: although increased levels of overall funding were strongly advocated, there was also a sense that some funds should move from archaeological research and investigation to monument management.

HS notes the view on overall funding. HS will consider the question of transfer more closely, but inclines to encourage improved flexibility between all the programmes rather than formal budget transfers.

Resources in general

Increase: respondents advocated increased overall budgets across the board if possible, but certainly for AM Grants and Management Agreements, with staff time devoted to make these work more effectively.

HS notes these views, which will be taken into account in updating relevant business plans and reviewing allocations.

Real value: the level of resources in these 3 programmes, it was suggested, appears to have fallen behind in real value due to inflation, and is now well below that needed.

HS notes these views, but also notes that, prior to 1994, HS was responsible for funding much work now paid for by developers, so long-term comparisons are not necessarily valid.

Redistribute: other areas of HS activity appeared to respondents to be over-generously resourced, given the urgent needs of archaeology and ancient monuments.

HS notes these views, but feels the issue may lie in the presentation of what HS does under each reported heading rather than the value of the work done. There is, however, a separate issue HS will continue to explore, about urgency versus importance, which impacts on our work in many ways.

Responsibility: respondents expressed concern that HS may be carrying a burden created by the impacts of the policies or operations of other bodies within or funded by Scottish Government, and which would more properly be borne by them.

HS is alive to this issue, as is Scottish Government more generally, and relevant policy officials are in regular contact.

General comments

More money: in general, the programmes reviewed were felt to be essential, and while improvements could be made, the key desire was for additional funding.

HS notes this view and will take it into account.

Last resort: Historic Scotland performs an irreplaceable function in funding and directing actions to respond to loss and damage arising from “developer-less threats”, especially coastal erosion, and this burden will not reduce.

HS agrees with this view and confirms that it will continue to support this function to the best of its ability.

Partnership: the increasing desire to work in partnership came over very strongly, especially in respect of the voluntary sector, and the important multiplier effect of HS funding, as seed-corn or matching funding for multi-resourced projects, was highlighted.

HS notes, welcomes and supports this perspective.

Leadership: despite the appetite for increased stakeholder engagement, there is clearly a desire for HS to continue its established role as a leader in the archaeological sector at a variety of scales from developing policy and guidance to supporting the development of sector-wide research frameworks and agendas.

HS welcomes this view, and affirms its willingness to continue in this role where appropriate, but at the same time would welcome and support leadership on appropriate issues from others, such as the academic and voluntary sector or the learned societies. HS has neither the remit nor the desire to be seen as a synonym for Scottish archaeology.