

Review and Refresh of HES Conservation Area Regeneration Scheme - Summary Report



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Heritage | Fundraising | Project Development



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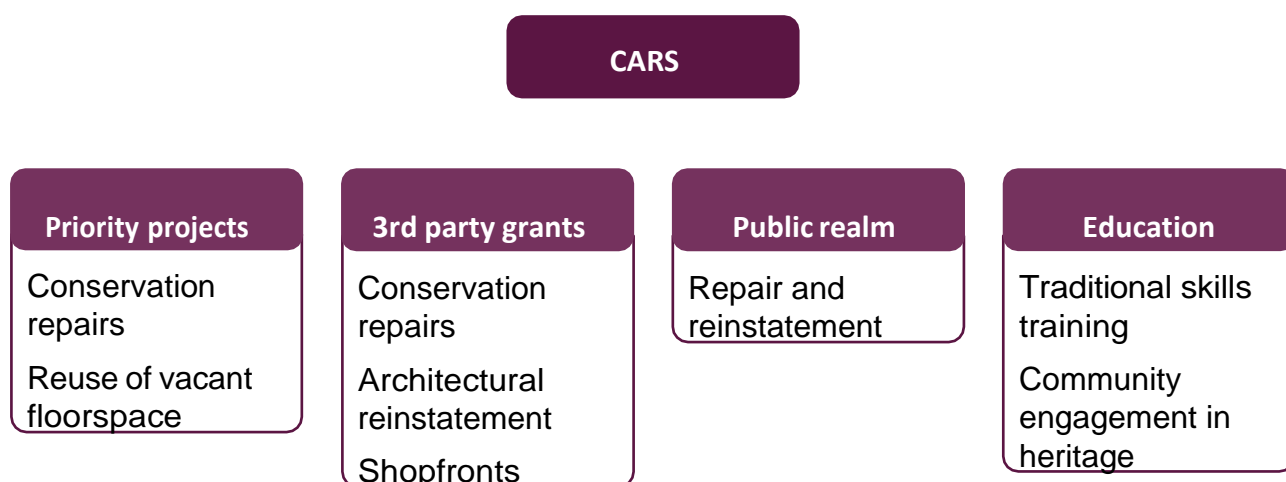
In undertaking this review and developing recommendations for a refreshed area-based scheme we have been assisted by a large number of stakeholders for which we would like to extend our gratitude for their cooperation, and willingness to contribute their time for this report. Whilst these stakeholders are anonymous, their contribution has been fundamental to this project.

1. Introduction: Summary Report of Findings

This report presents the summary findings of research undertaken between October 2020 and February 2021 as part of a consultant led review of the Conservation Area Regeneration Scheme (CARS), commissioned by Historic Environment Scotland (HES), the lead body for Scotland’s historic environment.

The CARS programme was first launched by Historic Scotland in 2007 and overall has awarded £48m to 69 schemes,¹ 47 of which are now complete. During this time, the programme has contributed to the repair of 1206 historic buildings, bringing back into use 44,000 m² of vacant floorspace and leveraging around £120m of additional investment into Scotland's conservation areas.

The CARS programme, with heritage-led area regeneration at its core, comprised of a range of grant funded elements as set out in the diagram below. Funding awarded for area schemes was limited to designated conservation areas and grantees were either local authorities or national park planning authorities, although the last four schemes widened out the eligible organisations to include community organisations. Funding was also awarded towards staff and administration costs to assist with the delivery of the schemes. The range of grant funding elements are summarised below:



¹ An additional 4 schemes were awarded a total of £4.5m, after the completion of this summary review report.

21 Schemes are still in progress (as at December 2021)

The two key objectives, as outlined by HES in commissioning this work were:

- To evaluate the CARS programme and establish its overall impact, successes, and potential areas for improvement.
- To make recommendations to inform the design of a refreshed, and updated area-based grant funding scheme which contributes to sustainable places in Scotland through community-led regeneration of the historic environment.

2. Methodology

Working closely with HES, the consultants undertook a comprehensive analysis of the CARS programme spanning from 2007 to 2020. This initially began with a detailed review of the broad range of information held by HES, which included data submitted through financial reporting, evaluation, and project output reports as part of the ongoing reporting and monitoring process. Thereafter, the consultants carried out a wide-ranging feedback process, engaging with stakeholders including HES staff, CARS delivery organisations (largely local authorities), and organisations operating in the heritage sector.

The methodology included:

- A detailed online targeted survey of local authorities/organisations with first-hand experience of CARS. 23 responses were received, covering 20 local authority areas, with responses covering both successful and unsuccessful applications for CARS funding. Because some local authority areas have been awarded more than one scheme, the response rate was equivalent to 87% of all schemes.
- A range of facilitated Focus Groups, using online conferencing software, with HES staff, CARS officers, and representatives with expertise relating to historic town centres and traditional skills.
- A mix of telephone interviews, online sessions, and short online surveys, targeting a range of stakeholders such as Building Preservation Trusts, City Heritage Trusts and RIAS Conservation Accredited Architects.

In this analysis, the consultants sought to determine how the CARS programme had met its desired outcomes, identifying examples of good practice, including successes, lessons learned, general feedback and data to inform the creation of a detailed set of recommendations.

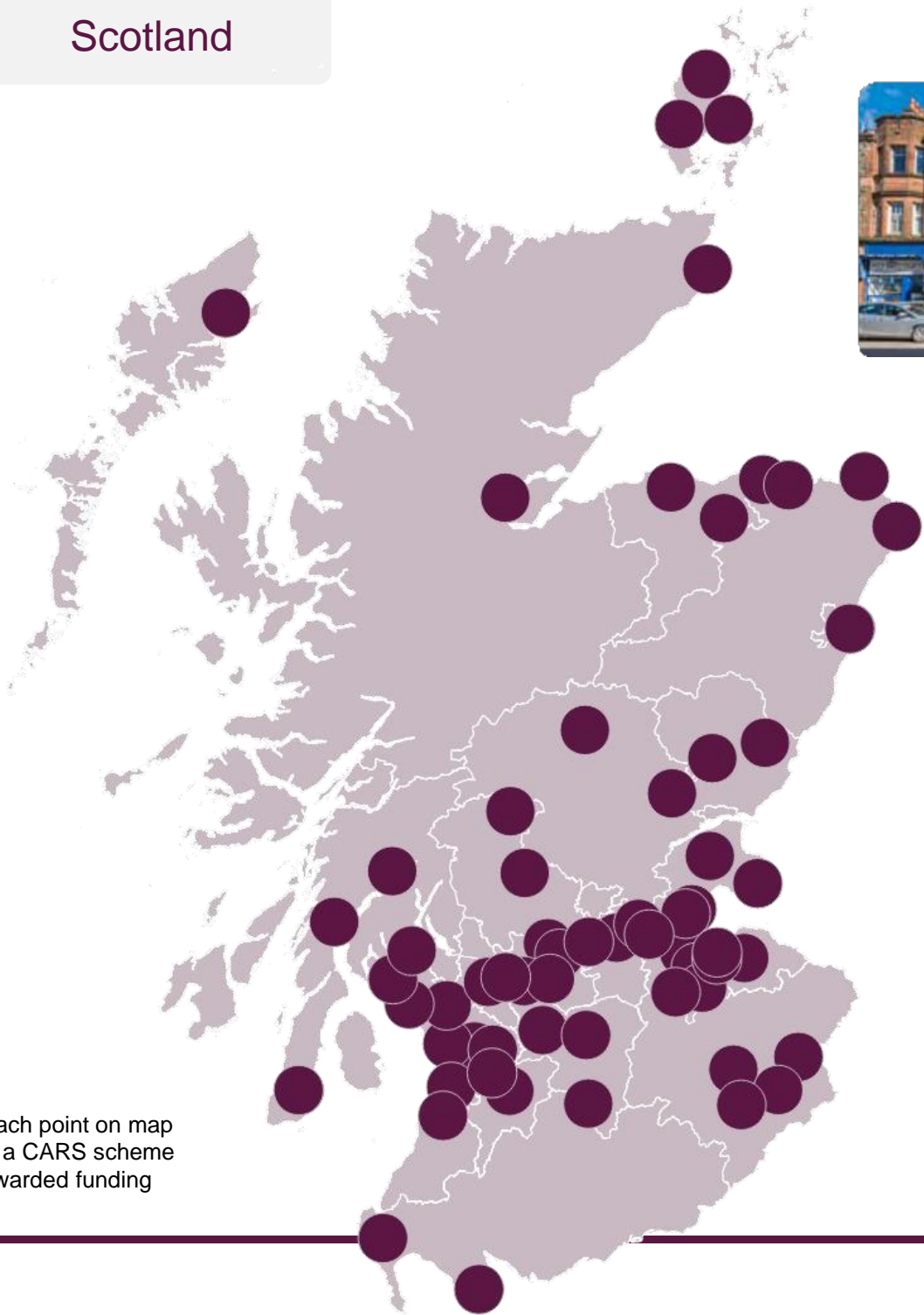
In evaluating the CARS programme, views and feedback were assessed according to three main headings as driven by the methodology: HES data results; delivery organisations feedback; and stakeholder feedback².

² Due to Covid-19 restrictions this was a desk-based survey and therefore no site visits or face to face interviews were undertaken during this review.

Celebrating CARS successes

24
local
authorities
across
Scotland

69
schemes over 8
application rounds



Each point on map is a CARS scheme awarded funding




£48m
HES funding

1206
grant-aided
buildings

44,000m²
vacant floor
space brought
back into use


and about
£120m
of new
investment

“ CARS has assisted regeneration of historic fabric in often overlooked areas. CARS projects have improved townscapes across Scotland, reduced visual blight, raised awareness of people's heritage and acted as a catalyst for surrounding regeneration

“ CARS are great and achieve a sense of uplift in the community that goes beyond the impact of the individual projects



“ Good scheme contributing to the regeneration of run-down town centres, particularly as source of funding to maintain conservation standard repairs to private owners and address long-term structural economic issues

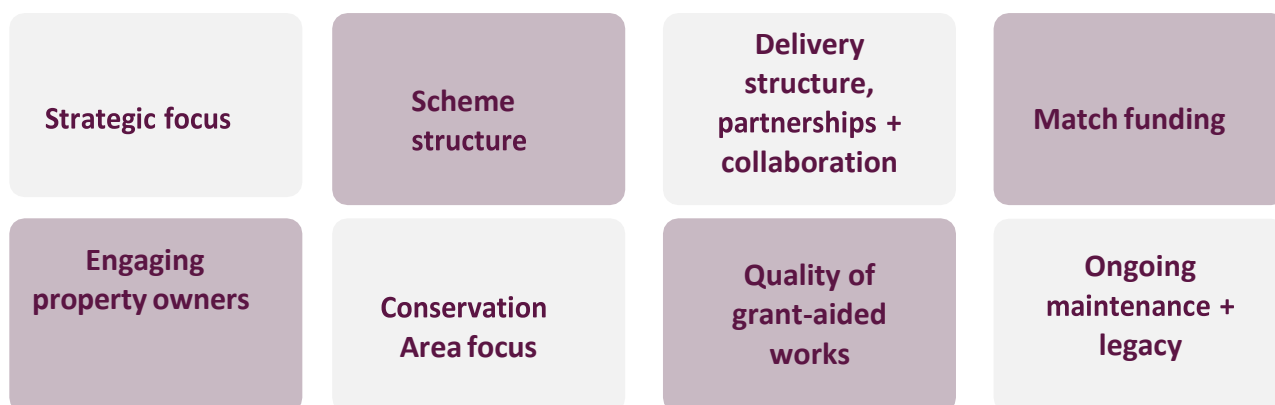


“ There is no doubt that the investment in the built fabric, with all the measurable economic benefits achieved through CARS, has been and continues to be vitally important. Without the assistance of grant funding, it is a simple reality that the greater balance of building repair work achieved would not have been economically viable, to the obvious detriment of the conservation area

3. Key Findings

The review both concluded and confirmed, that the CARS programme has successfully supported heritage-led regeneration in Scotland’s conservation areas where a range of environmental, economic and social impacts have been achieved. Stakeholders were found to be unanimously supportive of the programme and its achievements to date. The review established that the CARS programme had played a key role in the regeneration of historic conservation areas, but at the same time it was evident from feedback that some modifications to the programme would be beneficial for future area schemes.

The **Key Findings of the Review** were summarised into 8 themes as requested by HES and are set out below:



Strategic Focus: The review confirmed that the CARS approach continues to remain valid and is generally in line with current SG strategy and that of HES, particularly when related to the place-based agenda. There existed, however, the potential to strengthen strategic alignment, particularly in a post Covid-19 environment. An opportunity to increase dialogue at the national and local level, especially through earlier engagement, was apparent from the feedback gathered. Stakeholders felt that to strengthen this alignment, it would require a development phase. This would allow for schemes to achieve stronger shared outcomes through offering a longer lead in time, as currently possible with the National Lottery Heritage Fund’s grant schemes. Reporting on outcomes could also be further supported by improvements in data collection, aided by the provision of clearer guidance, and which could also benefit from greater assistance from HES during a development phase.

Scheme Structure: Feedback supported the continuation of a grant funding programme offering a flexible mix of eligible categories. There was overall agreement with the approach that the emphasis should remain on the external traditional fabric of Scotland’s historic buildings and assets, together with other activities to support this where need is demonstrated.

Issues encountered that were widely reported by organisations included: the short time scale for delivery with limited lead in time; low property values in some areas which were found to be problematic in terms of potential repayment of grants; challenging priority projects that ultimately didn't go ahead; the eligibility (or ineligibility of funding) for works including maintenance and retrofit; and the extent of resourcing and financing required to put together CARS bids. As outlined previously, the creation of a grant funded development phase was widely suggested.

Delivery Structure, Partnerships and Collaboration: Local authorities considered themselves well placed to deliver CARS, with many councils having developed strong and effective partnerships, and similarly able to provide extensive in-house services supporting the area schemes. There remains, however, the potential to develop effective partnerships, both nationally and locally, particularly related to community planning priorities, and to improve collaboration with meaningful community engagement and encourage tie in with participatory place-making exercises.

Match Funding: Since its inception, it was clear that the CARS programme has been successful in attracting match funding from a range of funders, but the value of levered in match funding appears to have been under reported. Communities and partners, such as Building Preservation Trusts, have attracted additional funding as part of the schemes but it was not always systematically recorded. Furthermore, property owners' contributions had not been consistently reported across the schemes, so the impact of CARS is therefore likely to have been much greater in terms of actual additional investment, for example by private owners, particularly for ineligible items.

Engaging Property Owners: Third Party CARS grant conditions, in particular uniform clawback requirements for standard securities, was reported by some local authorities to deter individual owners from applying for grant and caused issues in certain areas depending on the local property market. For example, where property values are low, the conservation deficit, where the higher cost to repair traditional buildings is not reflected by an uplift in property prices, means that the potential repayment of grant on the sale of a property could be deemed to be unreasonably punitive.

The type of ownership also affected the success of schemes. Multiple ownership continues to be a real and ongoing problem that has required time, experience, and expertise to overcome. Where local authorities, such as Argyll & Bute Council, have built up skills and knowledge in delivering several CARS, solutions such as advice on how to set up Owner Associations have been developed to help overcome the hurdles, particularly helped by involvement of housing departments and/or organisations such as 'Under One Roof'.

Conservation Area Focus: The requirement of areas to be designated as conservation areas in order to qualify for funding was found to be largely supported but was felt by some stakeholders to be limiting and could potentially lead to missed opportunities to contribute to regeneration. In considering other strategic priorities such as economic regeneration and the Town Centre First principle, not all conservation areas would be suitable candidates to meet HES Grants Priorities but nevertheless could achieve wider shared outcomes.

The range of ‘types’ of conservation areas awarded funding was wide, but there was slightly less representation of large urban areas³. This contrasted with slightly greater representation of smaller settlements with populations under 10,000 people.

Conservation area appraisals and management plans were shown to only go some way to protecting the investment made by HES and partners, both in terms of ongoing area management for local authorities, and in monitoring requirements for HES grants. The effectiveness has often been diluted due to challenges such as stretched staff resources and lack of continuity as fixed term CARS project officers left their posts.



Image: types of conservation areas benefitting from CARS

Quality of Grant-aided Works: Feedback exposed a disconnect between HES's perception of quality on some projects and that of the CARS officers, many of whom were highly experienced with qualifications in architecture, and/or building conservation⁴. Applying consistently high conservation requirements using HES Advisory Standards was supported, as was the role of accredited conservation professionals. The point where such professionals have been involved was discussed in financial and quality terms. Several of the schemes had implemented Framework agreements for professional teams and reported on the benefits (and occasional problems) of using Framework agreements. This was particularly useful where there were gaps in local skills and capacity.

³ As per the Scottish Government's 6-fold Urban rural classification index. The classification is based on two main criteria: 1. population; and 2. accessibility based on drive times

⁴ Due to Covid-19 restrictions, site visits were out with the scope of this report and no on-site assessment was able to be made to test this observation.

Ongoing Maintenance and Legacy: Procedures for monitoring of grant aided projects post-completion were found to be largely ineffective with relatively few ongoing maintenance mechanisms put in place. Feedback pointed to a requirement to ensure delivery organisations met with the existing procedures and that incorporating a maintenance strategy at application stage could assist in a pragmatic way. Nevertheless, it was reported that several CARS had offered good examples of opportunities to protect the legacy and ongoing maintenance of grant funding and a variety of solutions had been tested. Systematic sharing of this good practice through well-developed guidance and case studies could be beneficial.

4. Recommendations

As a result of this review, the consultants developed a range of factors that needed to be considered when designing a refreshed scheme. These factors, based on the key findings of the review were shared with HES across four Directorates, and were subsequently developed into detailed recommendations. The **recommendations** are summarised below:

Summary of Recommendations:

- HES continue to provide an area-based grant programme with enhanced participation of local stakeholders and strengthen alignment to SG strategy for structural regeneration.
- Encourage stronger community participation through early dialogue with continued meaningful community involvement.
- The programme should remain flexible to better meet the distinctive challenges of individual localities, and this could include properties outside of the conservation area boundary and potentially areas not designated as conservation areas.
- Implement a funded and structured development phase with appropriate support and input from HES, across Directorates, which would allow lessons identified to be applied to future schemes and a longer lead in time for better results.
- Strengthen and enhance future data collection and reporting criteria to ensure that the successful impacts of the programme are measured.
- Review and define HES partnership roles, both internally and externally. This to include collaboration at the national level with relevant SG departments and other organisations to identify match funding opportunities.
- Encourage and seek local partnerships in development, delivery, and the legacy of CARS schemes.

- External building fabric repairs should remain the core component of area schemes, with other categories of work and activities funded to support this.
- To further tailor grant eligible works and funding package to meet related priorities such as climate change mitigation, energy efficiency and repurposing of vacant buildings where applicable, and with partnership working.
- Continue to support traditional skills training and delivery aligned with local and national strategic targets as outlined in the HES Skills Investment Plan.
- Uphold high standards of conservation repair through the continued use of HES Advisory Standards, accredited professionals and sharing successful initiatives to engage property owners and contractors.
- Embed a robust ongoing maintenance strategy within every scheme including conservation area management.
- Review and refresh details of the scheme structure including review and update legal conditions for grant contracts.

5. The New Heritage and Place Programme

The review of the CARS programme has resulted in several important changes to the programme which are outlined below.

- The introduction of a 2-stage application process with a match-funded Development Phase.
- The introduction of an online application process, requiring applicants to submit an Expression of Interest form to determine eligibility and suitability of applicants to be invited to apply for funding, thus allowing greater opportunities for feedback and support from HES.
- The removal of the requirement for schemes to be solely in conservation areas so that heritage assets in distinct historic areas can be included.
- Amendments in timetabling and design of the area grants programme to allow for the increased potential for development and delivery in conjunction with other place-based funding programmes such as the National Lottery Heritage Fund's Area Based Scheme.
- A strengthening of requirements on strategic focus and community participation so that the local community is actively engaged in the scheme both before, during and post completion.

- A strengthening of requirements for traditional skills training and materials audits so that training is better targeted to meet local needs and supports the long term management and maintenance of historic assets based on greater evidence.
- A stronger focus on ongoing management and maintenance on completion of the scheme through strengthened reporting and strategies.
- Production of comprehensive updated guidance and resources to assist applicants in improved submissions
- Changes to the clawback conditions included in the third-party grant contracts.

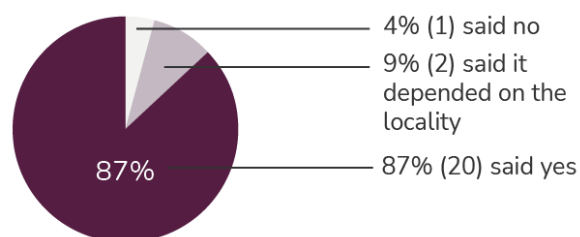
Appendix

Appendix 1: Summary Key Findings –Summary of Key Findings: Survey & HES Data Excerpt

A comprehensive online survey was sent to recipients of CARS awards. The targeted survey consisted of 65 questions, covering quantitative and qualitative questions. It achieved a very high response rate (87%) with 23 detailed responses received, representing 20 local authority areas out of a total of 23 local authority areas who had been awarded CARS funding⁵. Responses to a sample of questions are outlined here as well as results from the analysis of HES raw data collected during the CARS programme.

CARS Funding & Match Funding

Question: Was the CARS funding critical to providing match funding for the project? (23 responses)



Of the 23 responses, 20 said it was critical.

The analysis of HES data, showed that whilst the HLF THI had been a prominent partner, in terms of partnership match funding, a wide range of private and public funding sources have been levered in across the schemes. It also showed that the size of CARS grant awarded to individual schemes increased from round 3 awards onwards.

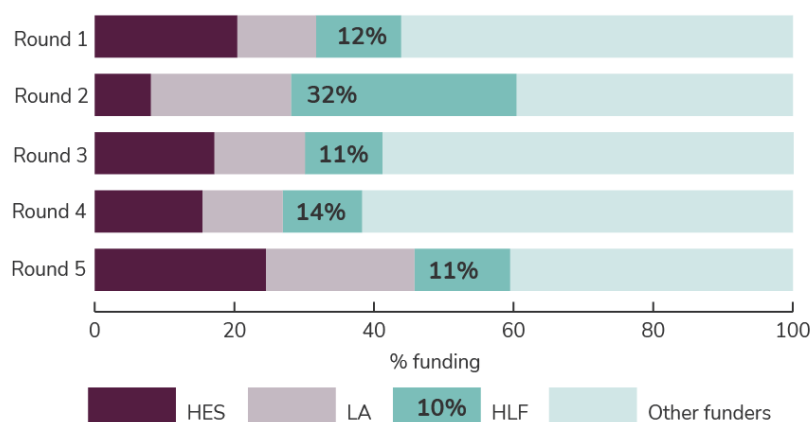


Fig. Proportion of funding from different sources (raw data supplied by HES)

⁵ 6 Local authority areas had made no applications for the funding, whilst 3 had applied unsuccessfully at the time of the review.

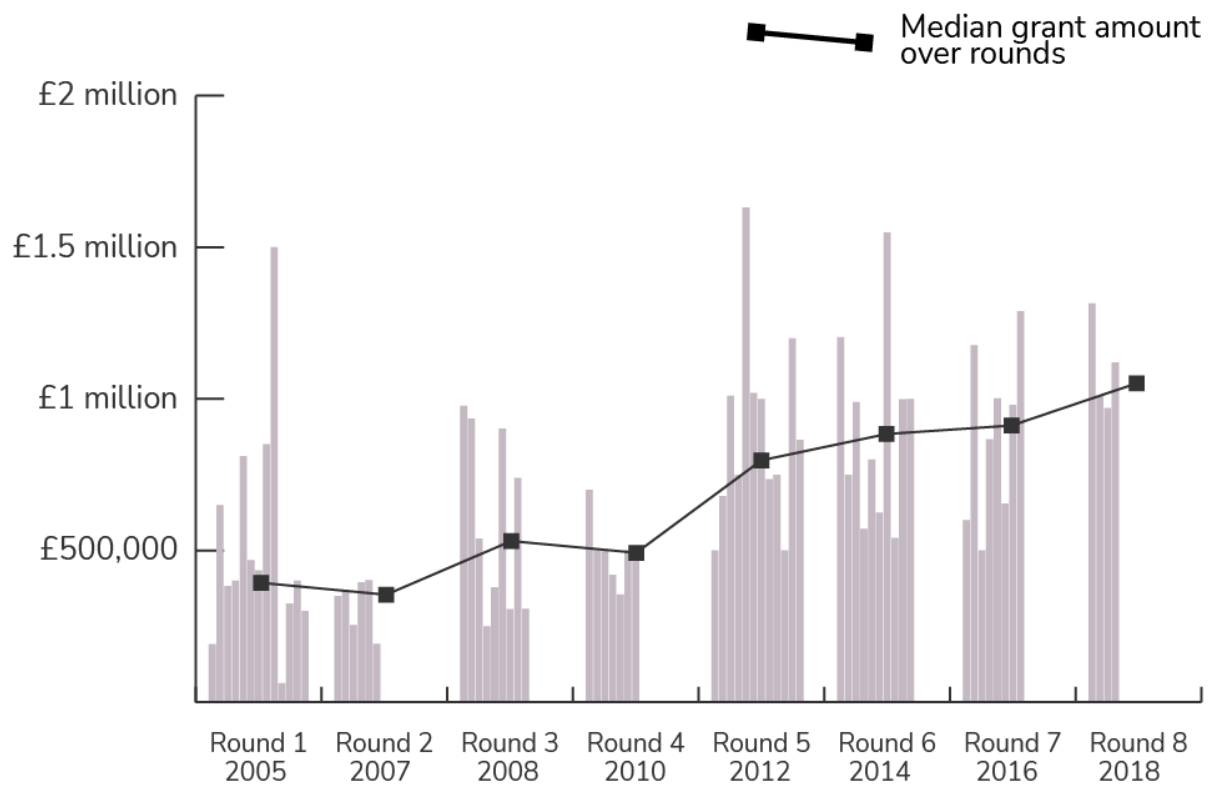
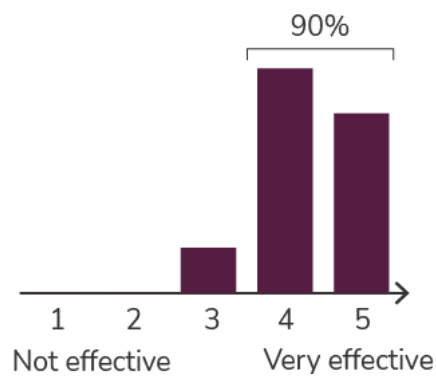


Fig. Increasing size of CARS £ awards over time (raw data supplied by HES).

Funding Eligibility Criteria

Question: Did the types of eligible activity funded by CARS enable the delivery of the intended regeneration outcomes?

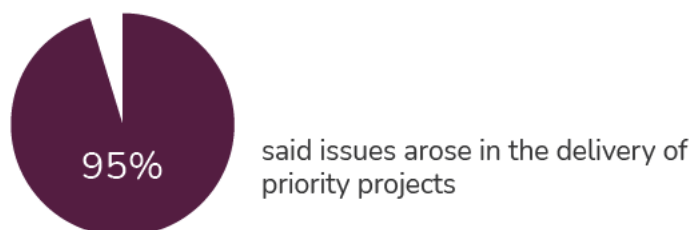


90% of the local authorities that responded to the survey believed that the eligible activity funded by CARS was effective or very effective in delivering regeneration outcomes.

Priority Projects

Question: How important was CARS funding the successful delivery of Priority Projects?

Over 90% of responses said it was **‘very important’**. However, it was clear that priority projects caused the most issues in delivery and averaged 4 per scheme, although there was a wide range from 1 in six schemes to 10 & 11 in two schemes in completed rounds (1 to 5). Priority projects as set out at the application stage frequently did not go ahead because of issues with contract conditions, ownership, and finance.



Small grants

Small grants were awarded for a range of external fabric repairs to one or more components and frequently included shopfront enhancement as well as reinstatement of architectural detail. The average number of small grants awarded across the completed schemes was 20 whilst the average value of grants in 90% of cases was below £25,000. The use of the term ‘small grants’ was, however, scheme dependent. For many schemes this was simply a grant that was awarded for building repairs to a project that wasn’t classed as a priority project.

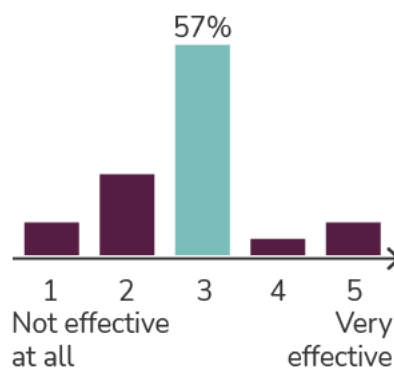
Public Realm

The extent of public realm funded within the schemes varied greatly and in 25% of schemes enhancements weren’t funded by the CARS programme but were undertaken in conjunction with other partnership funding. So, the total investment was occasionally greater than that reported.

Maintenance

Maintenance was identified by all stakeholders as very important, and several CARS incorporated activities that improved awareness and skills in maintenance. However, there were concerns that long-term maintenance was difficult to manage and legal conditions were not as effective as they could be.

Question: Did the legal conditions in the CARS contract ensure grant-aided work was appropriately maintained and protected?



The Application Process

- Applicants generally found the application process straightforward, but this depended on existing in-house experience and the overall complexity of the projects in terms of other funding partners.
- The continued flexibility of the scheme is supported due to the distinctive challenges of individual localities and emerging scenarios.
- Local authorities felt that they were very well placed to deliver CARS, either directly or in close partnership with organisations such as Building Preservation and City Heritage Trusts, as well as community organisations, due to the range of services, relationships, and skills that already exist within local authorities.
- Inevitably there is a slow take up of grants during the first year of the schemes and recruitment of a project officer led to delays.
- Timescales for applying were felt to be tight by many respondents.

Property Owners

- Contractual conditions such as clawback (grant repayment) and the length for repayment period dissuaded some owners from taking part in the scheme, as did overly complicated legalistic language for small grants, particularly for buildings in multiple ownership.

Data & Reporting

- Data collection and reporting varied across schemes making it difficult to assess the true extent of the impact of the grant funding, particularly that relating to additional investment from private owners and other funding partners. It is probable that the impact has been under reported.

Match Funding, Local Authority Resources and Timescales

- Some CARS projects were particularly successful in leveraging in match funding from a wide range of funders whilst others were more limited.
- Over time, there has been an uplift in the amounts that applicants are requesting from HES.
- Opportunities still exist to forge stronger programme links with a range of Government grant programmes as well as the National Lottery Heritage Fund.
- Local authorities are increasingly stretched in terms of resources (both staff and budget), and reported that this is likely to have an impact on the development of future projects.
- Inevitably there is a slow take up of grants during the first year of the schemes and recruitment of a project officer led to delays.

Innovation

- Partnerships have been developed because of the scheme, but there remained the potential to develop stronger links with services across local authorities including community planning and housing.

