Brexit and Heritage Briefing

Why thinking about heritage at this stage matters:

- The historic environment is geographically diverse, spreading the benefits of skills, jobs, investment and engagement across the UK, in rural and urban environments;
- Heritage can provide social cohesion, rootedness and identity;
- Heritage drives beneficial change (e.g. regeneration in a way that embraces character and authenticity). It is not a barrier to growth;
- Heritage creates economic value through the export of skills and products as well as through its contribution to inbound tourism;
- Time is needed to develop and put in place measures that replace and improve on those resulting from EU funding and regulation. This needs to be planned for;
- There are shortages of some heritage skills and arrangements may be needed to ensure continued access to key skills. It may be impossible, or very time consuming, to fill current and future shortfalls solely from within the UK.

Funding Issues

Heritage focused or related projects received a minimum of £450m in EU funding in the period from 2007-2016, and this is likely to be an underestimate.¹

CAP Funding

In the past 10 years the European Agricultural Fund for Rural Development, including LEADER, has provided c£280m for agri-environment schemes and rural projects with a heritage component in England.

This has delivered specific heritage benefits including:

- 820 scheduled monuments removed from the Heritage at Risk register;
- 24,000 further heritage assets, covering 355,000 hectares, entered into positive management regimes which actively maintain them;
- 44,000 additional, nationally important but un-scheduled, heritage assets on agricultural holdings given basic protection from destruction through scheme cross-compliance measures.

Funding levels need to be sustained (and preferably enhanced) with the historic environment fully integrated into any successor scheme which pays land managers to deliver public benefits.

In past schemes the historic environment has not always been seen as a core delivery priority. This is because nature conservation is the subject of EU regulation, while historic environment responsibilities are delegated by the EU to member states.

In any new UK scheme, heritage should be fully incorporated and integrated. Heritage and nature conservation are two sides of the same coin (think heritage barns and bats for example). It is more effective and cost efficient to deliver both in a co-ordinated way. All Government departments should recognise the value of heritage as a public good.

There is potential for more effective targeting of resources and efficiencies in the delivery of the scheme post withdrawal.

**Horizon 2020/ Research Funding**

*Horizon 2020* and its predecessor schemes have invested significant sums of money in transnational historic environment research. This research has delivered positive outcomes for heritage science and also helped us understand and develop community engagement in heritage.

The share of funding obtained by English Research institutions over the last ten years is at c£90m. Here are the headline figures for heritage science for instance:

**1998-2014 Summary:**
- The EU invested €121.27 million in heritage science research, or £105.5 million at today’s exchange rate (figures from analysis of CORDIS database - FP5, FP6, FP7);
- UK research councils invested £60.78 million in heritage science research (including Science-Based Archaeology) (figures from Research Councils and analysis of Gateway to Research projects).

**I.e. total investment 1998-2014 of approx. £166.23 million of which UK research councils £60.78 million (or 36.6%).**

**2008-2013,** specifically:
- EU contribution to UK institutions €4,877,197, equivalent at today’s exchange rate to £4,194,389;
- Funding from UK research councils £21,944,730;
- EU funding for university-led heritage science amounted to **19% of UK investment** (when 2006-2016 saw the highest investment by the UK in heritage science).

An uplift of a fifth more funding would be required to maintain the steady state for heritage science research. The direction of travel is towards a reduced Research Council pot with
funding channelled towards Grand Challenge funding which tends to favour larger projects and penalise small sectors such as heritage science.

**2014 to date**, as a comparison: EU H2020 contribution to heritage science research is €104,681,011 (£91,072,480) of which UK institutions have already been awarded €14,812,822 (£12,887,155). Thus the level of investment in Horizon2020 is already significantly higher than for previous programmes and therefore the forecast of future loss is likely to be even greater.

Government should explore buying in to Horizon 2020 and its successors post-withdrawal to enable continuing access for UK research institutions to EU-funded transnational projects. There is also the need to develop capability/infrastructure investment where we have depended on access to European equipment. Norway and Israel have already adopted this approach, with Switzerland having the agreement most favourable to research.

There are also other funding programmes which benefit heritage and again the UK ought to consider buying into these.

- There was nearly €29m via the Interreg programme (part of the ESIF);
- There was over €1.5m via the Culture (sub-)programme, now part of Creative Europe;
- There was €2.5m via the Erasmus+ programme for education & training, and
- There was €68,000 from the Europe for Citizens programme, which focuses on projects related to the history of Europe and the EU, and on democratic engagement and civic participation.

A recent report from The Academy of Medical Sciences, British Academy, Royal Academy of Engineering and the Royal Society have commissioned 'The role of EU funding in UK research and innovation'. Amongst other things the report looks at funding by academic disciplines. In terms of relative importance (i.e. research grant income from EU government bodies as a share of total research grant income from all government, local authority and hospital funding sources) the report found that there is a high degree of variability across disciplines, ranging from Archaeology with the largest: receiving 38% of its research income from the EU. For 15 disciplines income from 'EU government bodies’ represent 20% or more of their total research income. This was topped by Archaeology, but also included other disciplines of interest to the heritage sector such as Architecture, built environment & planning (21%) and Classics (33%).

**Regional Development Funding**

The European Regional Development Fund is a particularly important source of match funding for heritage projects, particularly in former industrial and urban areas in need of
regeneration. With loss of this funding we risk a disproportionate impact from Brexit on deprived areas.

We don’t (yet) have an accurate figure for the amount invested in heritage projects over the last ten years but we know that it is substantial and certainly well in excess of the £56m that we have been able to identify thus far.

The loss of this funding would have a disproportionally large impact as it levers in funding from other sources, particularly the HLF.

Government should consider how to make equivalent resources available post withdrawal, delivered in a focussed and efficient way.

Other sources of funding benefit museums, cultural and academic institutions aside from the specific ones mentioned here. These may not come up in heritage calculations such as the Euclid report, so figures are always likely to be an under rather than over-estimation. These other important funds shouldn’t be forgotten. Other funding flagged include larger infrastructure flood relief, small business and household resilience funding.

**Regulations that matter most to the sector**

Responsibility for heritage rests with member states, but there are some important EU legislation and conventions including:

- Landfill Directive (Directive 1999/31/EU)
- Environmental Impact Assessment EIA Directive (85/337/EEC)
- Habitat Directive (Directive 92/43/EEC) over 1000 animal and plant species, as well as 200 habitat types, are protected in various ways.

**Environmental Impact Assessment and Strategic Environmental Assessment**

For heritage, the crucial measures for retention are Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA). These derive from an EU Directive and are not formally set out in UK primary legislation. They are implemented through regulations and policy, which could make them vulnerable, particularly in the longer term and we need to ensure that this does not happen. Any potential future EIA review should ensure that EIAs are not restructured to more closely follow an ‘ecosystem services’ approach. This approach would not provide adequate consideration of the historic environment.

EIAs and SEAs are key to ensuring that the impact of development proposals on the historic environment are considered at an early stage of the planning process. This enables schemes to be designed in a way that mitigates adverse heritage impacts and draws inspiration from the archaeological and historic character of the area where development is taking place.
EIA and SEA also help to prevent environmental issues being identified only at a late stage of the planning process, causing uncertainty and costly delays.

**European Conventions and Standards**

Conventions like the European Landscape Convention (aka Florence Convention) and the European Convention on the Protection of the Archaeological Heritage (Valletta Convention) are influential on statutory body thinking and in the profession as a whole. Although they do not carry the weight of say the Habitats Directive, they are important to our work. These Conventions sit within the fold of Council of Europe, as distinct from the European Council or Council of EU. It will be important to define the UK relationship with the Council of Europe when we leave.

The following standards need to be maintained:

- BS EN 15757: Specifications for temperature and relative humidity to limit climate-induced mechanical damage in organic hygroscopic materials has been immensely useful;
- BS EN 15999-1 Conservation of cultural heritage: Guidelines for management of environmental conditions – Recommendations for showcases used for exhibition and preservation of cultural property, Part 1: General requirements and forthcoming part 2 would also be worth retaining.

The heritage sector would support the retention of many other forms of environmental protection such as the Habitats and Birds Directive; Waste Framework Directive; European Water Framework Directive; Landfill Directive etc. From the architectural conservation side: Health and Safety, BS-EN Conservation and Construction Standards and building performance standards are considered very important.

**Freedom of Movement Issues**

**People:**

There are significant numbers of non-UK EU citizens that work in the heritage sector in England in a variety of capacities, and also UK companies and citizens who work in heritage in other EU countries. This two way exchange of expertise and labour is extremely important to the sector.

**Construction**

Repair and maintenance of historic buildings directly generated £9.7bn in construction sector output in 2015. Recent figures ONS statistics suggests about 10% of the UK construction industry labour force is from outside the UK.
Historic/ traditional (pre-1919) buildings require a labour force with traditional skills. There are c.5.5 million traditional buildings in England. The 2012 spend (latest calculated figures) was £3.8 billion, down from £5.3 billion in 2008. Over the last 10 years the skills gap to meet demand has ranged from about 85,000 to 110,000, with a significant proportion of the gap related to contractors using traditional materials. There is an ageing demographic in the traditional heritage skills workforce.

We will continue to need to draw on skilled labour from EU countries. Developing training measures and apprenticeships within the UK is another way to meet this need but this would require both a commitment to investment and time for the skills to be developed. Construction, including heritage craft skills and archaeology, should be placed the UK Shortage Occupations List.

Archaeology

Research shows that approximately 5% of the archaeological labour force is drawn from the EU. While this figure is relatively low the future demand for skilled archaeologists to work on major infrastructure projects such as HS2/ A303 is likely to be significant. The situation needs to be carefully monitored.

To illustrate: workforce numbers on A14 road project indicate c. 20% field staff from overseas. HS2 enabling works programme had intended to recruit from overseas. If labour movement is restricted, home grown talent will become increasingly important. We will need to create and fund new routes to skills. Archaeology is recognised as a construction skill by the Construction Skills Certification Scheme. In order to ensure economic growth, we will require common solutions for construction and archaeology.

Free movement of archaeologists and other heritage specialists across the Irish Border is of particular importance as cross-border working is the norm.

Diminished focus on arts subjects in the school curriculum (and stopping subjects such as archaeology A-level) is counter-intuitive.

Conservation

An interesting example given by a Heritage Alliance Member shows that all 6 of their painting restorers are Italian where skills are plentiful and currently work is less available. Other organisations cite the fact that crucial members of staff who are EU nationals are intimately acquainted with our planning system – which takes time to develop – making them indispensable and difficult to replace.

Skills exchange

If a visa system were developed in the future, it would need to work both ways. Exemptions for accredited experts and academics in the field should be considered.

We want to be able to export our archaeological, buildings conservation, and museum expertise. We may also need to import significant training from Europe as we have in
electrochemistry, acoustic emission and reflectance FTIR applied to cultural heritage when the knowledge was absent in UK. One particular challenge could arise if movement across borders is dependent on income levels. Conservation and archaeological expertise are not necessarily highly paid but are highly skilled. This needs to be taken into account in the design of any visa regime.

The UK has, and can make more of, its world leadership in conservation and heritage science skills. Access to heritage science specialists/researchers will be an important issue for the UK. Swift access to visas or the research equivalent of a diplomatic passport would help. Bilateral agreements between countries are of limited value as it would be difficult to identify any one country in preference to another in the European context. A sectoral approach to free movement is what is needed to support heritage science.

Research

Freedom of movement for researchers is crucial. Bilateral agreements with individual countries would have limited value to heritage science research. A sectoral approach would protect the acknowledged leadership that the UK has in heritage science.

Seasonal labour

Many tourism-based heritage organisations rely on some form of foreign seasonal staff. A recent provisional Historic Houses Association survey showed that 25% of their members indicated that they employed 5 or more EU nationals in the businesses on their properties.

Materials

Hydraulic limes are imported from EU countries in small amounts but it is an important material when required. Many timber products are imported from EU countries, as are some brick and stone products and some clay plasters. If tariffs are charged prices will rise, but the level of impact will depend on the terms of our withdrawal from the EU.

Equipment

Very little scientific equipment or consumables are produced in the UK. Well over half the spend is non UK as many things are not available here – so the potential here is for costs to rise dramatically.

Opportunities for reform

There is a number of options for improving the way heritage is treated through tweaks to legislation and better targeted funding.

Redesigning Subsidies

As touched on above there is an opportunity to look at how heritage protection could be better served by changing blanket subsidies to farmers to instead pay them for specific environmental and heritage services.
State Aid rules

When we leave the EU, there may be an opportunity for relaxations on state aid. We also need to ensure that the current heritage exemption is not lost in any discussions.

VAT

Resolving the disparity between 20% VAT on repair, maintenance and alternation and 0% on new build would remove the long-standing disincentive to undertake essential remedial work on historic buildings and assist thousands of private owners across the country in caring for their homes and business premises, enhancing employment and traditional heritage skills. There is mounting evidence that poor maintenance will be problematic for the future resilience of our heritage assets, appropriate maintenance with traditional materials is critical. A joint CADW/HE/HES project is currently looking at the importance of maintenance.

Tailoring Species Regulations

Tailoring species regulations, in particular bats but also newts, dormice etc... to balance the needs of species, heritage and people a little better is considered an important area for reform. The Housing White Paper mentions a trial scheme for balancing the protection of newts with other considerations. We look forward to exploring how this might be applied to other species.

It is important that all Government Departments are alive to the potential for unintended consequences on heritage, or the negative and cumulative impact of other legislation going through (e.g. data protection). There are also other sectoral concerns that cross over with our own, such as potential changes to the Package Travel Directive to mitigate the burden of responsibility for small heritage providers, and general legislation affecting charities.

Lizzie Glithero-West
Chief Executive
Lizzie.glithero-west@theheritagealliance.org.uk

Previous Heritage Alliance Briefing from May 2016:

Registered Office: Clutha House 10 Storeys Gate, Westminster, London SW1P 3AY