

STRUCTURAL REFORM PLAN 20 July 2010

1. INTRODUCTION

The Heritage Alliance welcomes the opportunity to present its thoughts on DCMS Structural Reform Plan in advance of the Secretary of State's further announcement on the Department's policies, plans and priorities for culture and heritage. As Government considers public spending cuts over the coming months, The Heritage Alliance emphasises how our heritage will offer a firm foundation for economic and social recovery in line with government ambitions for a prosperous and fairer society.

Bearing in mind that DCMS faces extremely tough decisions over where the cuts may fall, we suggest some areas of expenditure which we regard as priorities, and we put forward ideas on where savings could be made.

1.1 Economic prosperity

There is a direct relationship between the quality of the places in which we live and work, and our economic prosperity.

The importance of heritage to the tourism and leisure industries is fully attested. Heritage tourism, a key part of Britain's fifth largest industry, has never been more important to our economy.

10 million holiday trips are made by overseas visitors to the UK each year. Four in ten leisure visitors to the UK cite heritage as their primary motivation.¹

Heritage tourism contributes £20.6 billion to GDP a year supporting a total of 466,000 jobs.²

Increased visitor numbers have mitigated the impact of the recession even at this stage in the economic cycle, and are expected to grow by 2.5% between 2009-2018, well above the general prospects for growth.

Visitors to English Heritage properties increased by 17% during the summer of 2009. The National Trust's visitor numbers went up by nearly a fifth and membership reached a staggering 3.8m.³

Equally important is the role that the historic character of buildings and areas plays in attracting start-up enterprises as well as international business.

Regeneration schemes to improve and enhance heritage assets create confidence, attract investment, build new facilities for social enterprise and act as a catalyst to help reverse economic decline. At the heart of successful places, our heritage provides a sustainable foundation for the renewal of local areas.

¹ HLF/VisitBritain: investing in Success, March 2010

² HLF/VisitBritain: investing in Success, March 2010

³ HLF/VisitBritain: investing in Success, March 2010

Investment in conservation and sustainable reuse of buildings and landscapes is more labour-productive than many other forms of investment. Repair and maintenance, which represents almost half of all construction output by value in England, is typically undertaken by small businesses with locally employed staff. Since these contractors also tend to source their raw materials locally, their activity also supports construction product manufacturers and suppliers. Heritage-related enterprises help to diversify employment opportunities, especially in rural areas.

The Lake District initiative found that every £1 expenditure on farm building repairs resulted in a total output of £2.49.⁵

Investing in historic buildings can be an energy efficient option, saving the energy associated with demolition, the creation and delivery of materials, the building process and waste disposal.

On the basis of repair cost projections over 30 years, the cost of repairing a typical Victorian terraced house is between 40 and 60% cheaper than replacing it with a new home.⁶

In an age of austerity, harnessing existing resources achieves a return on earlier investment. It makes sense to do all we can to get the most out of our heritage.

1.2 Quality of Life

Heritage is worth so much more than the economic benefits it entails.⁷ It is highly valued for its own sake by people across all parts of society, and it is seen as being integral to our quality of life.

More than ten times as many people belong to heritage groups as belong to political parties.

The latest English Heritage research shows that in all seven historic environment regeneration areas surveyed, over 90% of people who lived and worked locally agreed (and over 30% strongly agreed) that these projects had improved their quality of life.⁸

Heritage offers rich opportunities for both formal and informal learners of every age. Our heritage helps develop an understanding of narrative history but teachers use buildings and spaces as educational resources that help deliver a much wider range of subjects in the primary and secondary school curriculum. Educating children about their own and others heritage helps them to develop as citizens, and it cultivates pride in the special aspects of where they live.

⁴ Amion/Locum Consulting/English Heritage (unpublished) : The impact of historic environment regeneration, June 2010

⁵ Building Value: public benefits of historic farm building repair in the Lake District, 2005

⁶ HM Government: the Government's Statement on the Historic Environment for England 2010

⁷ Jeremy Hunt Shadow Secretary of State: History of Neglect December 2008

⁸ Amion/ Locum Consulting/English Heritage (unpublished): The impact of historic environment regeneration, June 2010

1.3 The Big Society

Heritage plays its part in driving local democracy and civic engagement. It is key to understanding our national and local distinctiveness, encouraging a sense of citizenship and building community spirit. Local groups play active roles in enhancing our knowledge of the historic environment.

Heritage Open Days, the biggest voluntary cultural event in England, attracts around a million people to over 4000 local events and sites. In 2009 HODs volunteers contributed their time to the value of £3.8m.

Landmark buildings up and down the country are taken over and restored by local groups and social enterprises such as building preservation trusts and development trusts, to provide community facilities and to enhance the look and feel of neighbourhoods.

Ancoats Building Preservation Trust for example, levered in over £12 million in grants for its capital projects to regenerate a socially deprived area of Manchester through its industrial heritage.

There is a positive and significant link between the historic environment and social capital. Enabling people to understand, value, enjoy and care for the historic environment is at the very heart of the citizenship ethos. The historic environment often inspires us to play a more active part in our immediate locality as community organisers and volunteers.

There are around 5000 heritage bodies in the UK and more than 400,000 people volunteer in heritage activities every year.

Voluntary heritage groups are expert at leveraging in additional funding to make the most of limited public sector resources.

The Listed Places of Worship Grant Scheme which has invested over £100m over eight years has attracted five times that amount to the benefit of community projects.¹⁰

1.4 Fairness

Heritage connects past present and future generations. It links individuals into a shared heritage to be explored and enjoyed by all. Increased access to and understanding of our historic inheritance is essential if all sections of society are to enjoy this vast resource. Principles of access, openness and transparency stand at the heart of proposed heritage protection reform. These principles need to be taken across into educational provision and into developing meaningful community engagement in planning, so that everyone can benefit.

1.5 Local responsibilities

Heritage is innately local, for it offers roots and a sense of place. For many communities a key local historic feature is used as the symbol of their identity. In a fast changing world, and particularly in growth areas, it can provide a basis for the future history of a community, giving continuity and a backdrop to the immediate.

⁹ Engaging Places: Unforgettable Lessons, July 2010

¹⁰ <http://www.hlf.org.uk/english/textonly/mediacentre/archive/historic+place+of+worship.htm>

and focus on bringing people together historic buildings are a venue for innovative practical projects showing how communities can take back control of local facilities, for example through community asset transfer. In many rural areas too, the historic church can be the last civil society building left after the closure of the shop and pub.

As the number of local heritage and amenity groups shows, caring for our heritage not only provides a focus for engagement and discussion but also establishes a basis for activity . economic, cultural, social, environmental . that makes for a stronger and more responsible society. Understanding the historic environment has huge appeal too with some 2000 community archaeology groups across the UK attracting 200,000 members. Engagement through schools and communities in heritage and conservation offers a wide range of education, training and skills development opportunities.

Heritage-related activity empowers and enables individuals and communities to take control.

2. CRITERIA

In presenting our ideas where savings can be made, we have kept the following principles in mind.

2.1 A proportionate approach

The DCMS budget in May 2010 amounts to 0.8 % of total government spending, and the architecture and history element just 4% of that, reflecting a past history of cumulative cuts¹¹. As much of the heritage economy is in private hands and operates outside DCMS direct control, the impact of government funding is in reality much greater than this tiny figure suggests. Government does have a critical function in filling the gaps that the market itself cannot cover.

We suggest a proportionate approach, using this comparatively small public expenditure judiciously and creatively in order to support the broader sector and all the public and social benefits it offers.

2.2 Rebalancing the partnership

Central government has an important role to play in realising the potential of our heritage not only through DCMS but through other Government departments, including DEFRA, CLG, Education and Energy, where it contributes to their objectives.

DCMS funding supports NDPBs, in particular English Heritage, which has a unique position as adviser to the Government on the historic environment, working with ministers and civil servants inside government in a way other bodies cannot. However, with the pressure on public resources, it may be wise for English Heritage to invest strategically in external partnership working in order to deliver more of its objectives in the longer term. We envisage a shift from short-term partnerships based on funding agreements to an enduring change in the nature of the relationship.

The giving of time and money is another aspect of rebalancing that mixed economy. Making a strong government commitment to the value of our heritage will help avoid demotivating potential philanthropists and volunteers whose contribution is even more essential in these stringent times.

¹¹ Jeremy Hunt Shadow Secretary of State: History of Neglect, December 2008.

ment heritage bodies

The third of our historic environment is supported, managed or owned either privately or by non-government heritage bodies. The sector is characterised by a huge range of diverse voluntary and community groups whose accumulated knowledge and expertise is an outstanding national resource, much of which is contributed freely for national benefit. The non-government sector has matured over the past ten years; it can in many cases deliver services more sensitively and efficiently than government bodies. However, although The Heritage Alliance and its members may be willing to shoulder services previously provided by government, they cannot do this at the risk of compromising their own charitable objectives and resources.

2.4 National Lottery funding

We welcome the government intention to restore the original shares of the National Lottery which, if adopted, would increase the funding available from the Heritage Lottery Fund by £50m p.a. This is a huge boost to our constituency; but HLF grants cannot substitute for other funding streams such as the Listed Places of Worship grant scheme which does not share either HLF's competitive process or its conditions or for English Heritage repair grants which (unlike HLF grants) are available to historic buildings in private ownership.

We urge government to respect the additionality of lottery funding.

3. PRIORITY AREAS

There are some areas of expenditure which are essential if our heritage is to play its part at the heart of social and economic recovery. We suggest that within DCMS these functions should be protected:

3.1 Legislative capability

Central Government is uniquely able to draw up and amend primary legislation. The long-awaited heritage protection reforms have been delayed and the Bill team in DCMS disbanded. We urge DCMS to maintain the specialist capability to work with other government departments to frame the primary legislation required to update the heritage protection regime, either in a separate heritage bill or by incorporating the most important measures into related legislation. This will reinforce the efficiency of the heritage sector and the contribution it makes.

3.2 English Heritage

Our findings in the recent debate over English Heritage's strategic priorities 2010-15 identified its key responsibilities as advising government and in supporting the sector through grant giving, advocacy and expert advice. Our members concluded that for English Heritage to do more for less, it needed to work more effectively in partnership.

3.3 Local government

Professional and specialist skills are vital to maximising the benefits of our heritage and, in particular the historic environment services that across England deliver £120m of private investment a year through planning. As funding and planning powers are devolved from national and regional agencies, local authorities need a highly trained and dynamic workforce to ensure the effective management of the historic environment. Now that much of the ring-fencing of local government funds has been dismantled, we urge CLG to make the case for proper resourcing for historic environment services in the forthcoming review of local authority finance, and

es to work alongside CLG in ensuring local

3.4 Support for cultural learning

Department for Education and DCMS should maintain public support for cultural learning opportunities for children and adults in which heritage is an integral part. To promote wider engagement by each and every member of society, the opportunities afforded by our heritage and historic environment should form an important part of learning through the National Curriculum and in lifelong learning.

3.5 European funding

The Common Agricultural Policy (CAP) has a significant effect on the historic environment both because of the way in which it affects countryside management and because it allows financial support for heritage objectives.

Our historic farmed landscapes do not look after themselves. Most is privately owned and in the care of landowners or farmers who may not directly benefit from all of the qualities of the landscapes they manage, but who do deliver important benefits to the wider rural community. These landscapes are an important public good, a powerful force to promote successful rural development, and an invaluable asset supporting regeneration, growth and economic recovery. Public policy intervention is required through agricultural and rural development policy at home and by monitoring and influencing the future direction of the European Common Agricultural Policy. Again, DCMS should retain the capacity to work with other government departments to secure the best possible outcomes.

All the above points confirm that a key role of DCMS is its capacity to work with other government departments who deliver heritage and historic environment funding in certain areas more directly than DCMS can do.

4. THE COST OF CUTS

Cutting English Heritage support to buildings on the Heritage at Risk register by 40% would have resulted in the loss of 460 Grade I and II buildings during the period 1999-2010.*

Without the dedicated £8m per annum funding for traditional farm buildings under Rural Development Programme for England (RDPE), it is estimated that 300 buildings per annum and, over the 7 years of the RDPE (2007-13), 2100 buildings would become derelict through lack of maintenance to the detriment of our historic landscapes and their economies.

The long term effect of major cuts of the order of 25% to 40% would have a devastating effect on our national heritage. Our national heritage has a longer time frame than other cultural goods.

- Cutting English Heritage grants for repair work from £30m pa to under £20m would severely limit English Heritage's ability to safeguard heritage assets at risk at a time when market forces are compounding the factors causing deterioration. The impact, whether in the number of new entries on the Heritage @ Risk register or in the number of existing entries reaching a point of no return might not be immediately apparent in public but the cumulative effect would be a damning legacy.

ness whose costly damage takes times to become
ing the historic fabric, regardless of use, sustain
heritage assets.

- Cutting government support to those organisations at the forefront of supporting communities to take responsibility for their historic surroundings and who deliver front line advice in planning and historic environment casework flies in the face of the concept of the Big Society.
- If DCMS no longer had the expertise to work across departmental and agency boundaries, heritage is consigned to an elitist interest
- Reducing English Heritage's highly professional advice to owners and local authorities in planning and casework or where complexity is beyond local expertise could result in disparate standards and short-term interests outweighing the national good.

We welcome the intention to restore the original shares in the National Lottery but the Heritage Lottery Fund alone cannot be the sole source of investment in our heritage. Similarly philanthropy can not solve all the problems of funding for the historic environment. A mixed economy is the ideal where Government takes the role of securing the long term interests of our heritage that the market itself can not deliver.

5. FINANCIAL SAVINGS

Further areas for efficiency savings, after a decade of financial stringencies in both DCMS and EH, are hard to find. In order to achieve savings targets, whole functions may have to go.

5.1 All Government Department and Agencies should use their sector's expertise to secure more competitive tenders and value for money.

5.2 In reviewing Departmental and agency remits, the aim is to maximise benefits to our heritage rather than preserve the status quo. We do not believe that merging English Heritage and the Heritage Lottery Fund would be justified but the agencies of place English Heritage, CABE and Natural England might explore efficiencies by working more closely together but any review of relevant public bodies should always include proper consultation with the sector and an assessment of the impact of previous organisational change.

5.3 Government endorsement of regular, inclusive dialogue between relevant NDPBs and the heritage sector, to foster engagement at all levels, would help to reduce duplication of activities, for example on research projects and publicity. It would also encourage a pooling of resources thereby maximising outcomes at minimum cost.

5.4 English Heritage should put out to tender various of its advisory support services, such as marketing for its properties. Others in the heritage sector might be able to supply these services at lower cost. Where a flourishing commercial market already exists (e.g. publications, archaeological excavation, field survey and some research and technical support services), English Heritage could reduce its own in-house capacity.

5.5 English Heritage should adopt an outcome-based approach to its regulation, rather than concentrating on what appear - to the regulated - to be costly and over-bureaucratic processes. Two examples are: (i) replace detailed 5-yearly inspections of Heritage Management Plans (which look at how the plan has been

¹² English Heritage: Heritage at Risk 2010

inspection to see if the goals of the plan have
r-intensive Collection Management Plans for
inspections to monitor the condition of historic
objects, to ensure that they are being looked after effectively.

5.6 We advocate streamlining heritage protection measures by combining listed building consent and scheduled monument consent; and by combining conservation area consent with planning permission. The creation of a streamlined, unified heritage protection system under the National Planning Framework would reduce the administrative burden on the public sector and would remove both uncertainty and unnecessary red tape. This would help to minimise delays on development applications, encouraging a more responsive and prosperous private sector.

5.7 English Heritage might team up with heritage-related university course providers to absorb elements of the currently suspended Historic Environment Trainee scheme, which will harness the capacity of the present and develop the skills of a future workforce.

We would be glad to discuss these ideas in more detail.

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About The Heritage Alliance

The Heritage Alliance is the largest coalition of heritage interests in England. Established in 2002 it brings together non-Government organisations concerned with heritage; from larger bodies such as The National Trust and to smaller and specialist groups. Between them, our 82 members represent nearly 5 million people across Britain.

Our members range from specialist advisers, practitioners and managers, volunteers and owners, to national funding bodies and organisations leading major regeneration and access projects. Together they own, manage and care for the vast majority of England's heritage. Their specialist knowledge and expertise across a huge range of issues is a national resource, much of which is contributed on a voluntary basis for public benefit.

The Heritage Alliance aims to demonstrate the importance of our heritage as a national asset that can deliver wide-ranging public benefits.

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