

# Heritage in the context of Britain's Future Relationship with the EU

## The Heritage Alliance

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On 31 January 2020, the UK left the European Union. This continues to present several opportunities for the heritage sector, as well as some challenges. This document sets out the opportunities we would like the Government to grasp now that we have left the European Union, as well as our key asks ahead of the negotiation of a free trade agreement with the EU.

### What are the opportunities and threats of Brexit on the heritage sector at this stage?

- The historic environment is geographically diverse, providing the opportunity **to level up all parts of the UK** – through spreading the benefits of skills, jobs, investment, in both rural and urban environments. It is fundamental to our nation's recovery from the Covid-19 crisis;
- Heritage creates **economic value** through the skills and products exchange as well as through its contribution to inbound tourism and the creative industries;
- Heritage is **not a barrier to growth**. Regeneration that embraces our nation's distinctive character can drive positive economic and environmental outcomes;
- Heritage organisations have an important role to play in the development of **major infrastructure projects** – including HS2 and the renewal of the Houses of Parliament;
- Time is needed to develop and put in place measures **that replace and improve upon existing EU programmes** and initiatives. This needs to be carefully considered and planned for now;
- Heritage is at the centre of our unique national offer, contributing £16.9bn per annum in economic benefit from tourism alone. The Government has recognised that 'heritage is the glue that binds together our Brand Britain'<sup>1</sup>.

### Our progress so far

In our [2019 Brexit Briefing](#), we called on the Government to buy into both the Horizon 2020 and Creative Europe EU programmes. We welcome that the Government has expressed an interest in participation in the Horizon 2020 programme<sup>2</sup>, but we are disappointed that it has decided against participating in Creative Europe. The Creative Europe programme has awarded over €89 million to 376 UK-based firms since its launch in 2014 and represents an important source of funding for parts

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<sup>1</sup> [https://www.theheritagealliance.org.uk/wp-content/uploads/2018/03/THARReport2018\\_Final\\_Pages.pdf](https://www.theheritagealliance.org.uk/wp-content/uploads/2018/03/THARReport2018_Final_Pages.pdf)

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/868874/The\\_Future\\_Relationship\\_with\\_the\\_EU.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/868874/The_Future_Relationship_with_the_EU.pdf), p23

of our sector. We would also welcome further clarity on future participation in Erasmus Plus and Interreg, which have been important areas of funding for the heritage sector over the last decade.

Elsewhere, we have published briefing notes on the [Environment Bill](#), the [Fisheries Bill](#), and the [Agriculture Bill](#). We are particularly concerned with the Environment Bill. In its current form, Part 1 of the Bill excludes heritage. This means that monitoring and reporting under the Bill, and future Environmental Improvement Plans, would not be required to cover the historic features and structures in our landscapes, which are inseparable from the natural world.

## **Opportunities to grasp**

Leaving the EU provides new freedoms for the heritage sector to grasp – from improving the way heritage is treated in legislation to better, more targeted, funding.

### **VAT reform**

Leaving the EU offers the opportunity to apply reduced rates of VAT in the UK. The Chancellor has already used this new power to remove the so-called “tampon tax” from the start of January 2021. There is now an important opportunity to do the same to resolve the perverse disparity between 20% VAT on repair, maintenance and alteration of buildings and 0% VAT on new builds. This 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.

In light of the COVID 19 crisis, this reform would provide much needed support to the sector. By encouraging capital projects through a lower VAT rate, small organisations of specialist builders and craftspeople will be able to find more work and continue to support the longevity of the sector. These small organisations also provide the spaces for training skilled craftspeople; without a new generation of specialist workers, our unique historic environment will be under threat. This will have a positive impact across both the heritage and construction sectors, creating jobs and supporting vital industry.

The maintenance and repair of listed buildings also has a key part to play in reaching the Government’s net zero target. A recent Historic Environment Forum Heritage Counts report found that we can reduce the carbon emissions of historic buildings by over 60% by 2050 through refurbishment and retrofit. The full report can be found [here](#).

### **Redesigning Agricultural Subsidies**

The Government’s intention to replace the CAP with its own scheme, the Environmental Land Management Scheme, offers the opportunity for the Government to consider how heritage protection and engagement could be better served. We welcome the Government’s intention to replace blanket subsidies to farmers with money for specific environmental and heritage services. This will provide public money to those providing a public good.

The Environmental Land Management scheme should “incentivise land managers to restore and improve our natural capital and rural heritage” as set out in the Government’s 25-Year Environment Plan, by providing sufficient long-term funding to deliver public goods valued by the public.

The Heritage Alliance has produced a briefing on the Agriculture Bill, which can be found [here](#). We continue to advocate for a sustainable replacement for the CAP, that takes the needs of our sector

into account, through our Rural Heritage Advocacy Group. We sit on the Environment Land Management Scheme stakeholder group and continue to advocate for the historic environment in agriculture planning. We welcome the Fisheries Bill's inclusion of features of archaeological or historic interest within the definition of the marine and aquatic environment.

### **Working internationally**

Leaving the European Union also offers the opportunity for heritage organisations to think internationally in a new context. Our [2018 International Report](#)'s recommendations included funding to facilitate an international skills exchange in a heritage context. As a result, the British Council and the Heritage Alliance launched a pilot travel grant scheme, which aimed to develop mutually beneficial international projects and partnerships for the organisations involved, enabling recipients to undertake an international visit to meet with colleagues and share skills, expertise, and experience.

Schemes such as this demonstrate the value of working internationally, and the Government should look to encourage greater international working in the post-Brexit context through greater funding for such schemes. This has the potential to boost overseas links, economic growth, and deepen the skills base across the UK heritage sector. The new points-based immigration system must not work against our considerable soft power status abroad.

### **Tailoring Species Regulations**

Tailoring species regulations (in particular bats, but also newts, dormice and the like) to better balance the needs of species, heritage and people is considered an important area for reform. A trial scheme for balancing the protection of newts with other considerations is already underway, and Natural England's 2020 action plan includes plans to expand district level licensing to include other species. We look forward to further developments in this area.

### **Other legislation**

It is important that all Government departments are aware of the potential for unintended consequences for heritage, or the potentially 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. There is also some risk that in response to potential economic disruption, planning reforms designed to boost the economy threaten heritage buildings.

### **State Aid Rules**

Existing State Aid regulations include a specific exemption for heritage conservation. If a new State Aid regime is agreed with the EU, this exemption should not be lost. If no new regime is agreed with the EU, the UK Government should ensure that it continues to support the heritage sector in our work, using the full suite of tools available to it.

## Key Asks for the Future Relationship

As mentioned above, our sector makes a significant contribution to the UK economy. Our expertise is world leading and helps to amplify the UK's prestige abroad. As the UK Government negotiates our future relationship with the EU, it should protect and support our sector to be able to fully take advantage of leaving the EU.

1. **Funding:** Heritage projects and scientific research received at least £450m in funding via the EU over the last decade<sup>3</sup>, bolstering tourism and saving important parts of our national identity. UK heritage organisations have been very successful in bidding for such funding, but this could be at risk for future programmes. Archaeology ranks top of all sectors in % income from EU sources (38%). As mentioned above, we welcome the UK Government expressing an interest in Horizon 2020, but further collaboration is needed. We would welcome clarification on the Government's commitment to Erasmus, which provides an important link between UK institutions and their counterparts abroad. Heritage should also be included in the development of any cultural and scientific cooperative accords – either with the EU directly or included as part of any bilateral accords with Member States. Further detail on issues related to funding can be found below.
2. **Skills:** There are shortages of UK-based heritage skills<sup>4</sup>. The sector relies upon skilled EU labour and while we are investing heavily in domestic training and retention programmes, we will need EU staff to supplement current demand. Proper arrangements are therefore needed to ensure that heritage organisations can access the best heritage skills from across the EU. We welcome that the Government has added Archaeology to its Shortage Occupation List, but it must go further. Other key heritage professions (e.g. construction, including heritage craft skills) also employ large numbers of EU nationals. For example, in the construction industry, they account for 10% of the workforce<sup>5</sup>. A survey of our members in 2019 found that for over 15% of respondents, more than half of their workforce are EU nationals. Restrictions on their ability to employ EU nationals will have a tangibly negative impact on their ability to work effectively. Further detail on these issues can be found in our [2019 briefing on Immigration](#). We are in the process of updating this briefing in light of the recent Government announcements on immigration.
3. **Goods:** A great number of materials are imported to the UK from the EU to help with the conservation of our built heritage such as specific stone and lime. Equally, scientific and analytical equipment are regularly exported to and imported from the EU. Any free trade agreement that is reached with the EU must include tariff-free access to these materials and equipment.
4. **Standards:** We welcome the Government's commitment to the historic environment by putting it on an equal footing with the natural environment in the 25 Year Environment Plan. It should also uphold certain other European standards. Certain EU Directives are important to the heritage sector, including the Air Quality Directive and the Habitat Directive. Equally, the Government should uphold the commitment to undertake Environmental Impact

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<sup>3</sup> (2007-2016) See [Historic England research](#) compiled by Euclid: 'Assessing the European Union's contribution to England's historic environment' Project No: 7541.

<sup>4</sup> See [Historic England report](#) from April 2019 (skills gap/needs in the Heritage Sector) for further information.

<sup>5</sup> Data from the ONS: [Migrant Labour Force within the UK's Construction Industry](#), August 2018.

Assessments and Strategic Environmental Assessments. These assessments ensure that the heritage of sites is considered at an early stage in the planning process.

## Funding

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.<sup>6</sup> **The Government should participate in the next Horizon programme, and replace the EU funding where it can.**

### Horizon 2020/Research Funding

Horizon 2020 is an EU Research and Innovation programme with nearly €80 billion of funding available over 7 years (2014 to 2020). As of September 2018, the UK had secured €5.5 billion of funding (13.5% of the total).

Horizon 2020 and its predecessor schemes (e.g. Seventh Framework Programme) have invested significant sums of money in transnational historic environment research. This research has delivered positive outcomes for heritage disciplines and helped us understand and develop community engagement in heritage.

Here are the headline figures for heritage science as an example:

#### 1998-2014 Summary:

- The EU invested €121.27 million in heritage science research, which equates to **roughly £108 million** 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].
- Of a total investment between 1998-2014 of approximately £168.78 million, UK Research Councils contribution amounted to 36% of the total.

The Government should explore buying into Horizon 2020 and its successors 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.<sup>7</sup> In all cases, heritage should be included in the development of any cultural and scientific cooperative accords, with either the EU or bilaterally with Member States.

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;
- There was **€2.5m** via the **Erasmus+** programme for education and training;
- 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.

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<sup>6</sup> See [Historic England research](#) compiled by Euclid: 'Assessing the European Union's contribution to England's historic environment' Project No: 7541.

<sup>7</sup> The bilateral package of agreements between Switzerland and the EU includes a specific agreement on research and science.

A May 2017 report from The Academy of Medical Sciences, British Academy, Royal Academy of Engineering considered EU funding by academic discipline<sup>8</sup>. 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 archaeology proportionately benefitted the most, receiving 38% of its research income from the EU. Other disciplines of interest to the heritage sector also have large parts of their total research investment from the EU, including built environment & planning (at 21%) and Classics (at 33%).

### **CAP Funding**

For the period 2006-14-2020 the European Agricultural Fund for Rural Development, including LEADER, has allocated c.£280m for agri-environment schemes and rural projects with a heritage component in England. Since 2015, an additional £30m has been committed to heritage under the Countryside Stewardship Scheme.

This has delivered specific heritage benefits including:

- Over 1,000 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.
- Over 5 million square metres of traditional farm buildings maintained in weatherproof condition.

Funding levels need to be sustained (and preferably enhanced) with the historic environment fully integrated into ELMs to deliver public benefits. We are pleased that the [25 Year Environment Plan](#) takes an integrated approach, seeing the natural and historic environments as inseparable, and giving parity of approach to both, which has translated across into the Agricultural Bill. In contrast, the drafting of the Environment Bill, which provides a statutory basis for the 25 Year Environment Plan and future Environment Improvement Plans, excluded the historic environment from its definition of “natural environment”, as mentioned above. 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**.

### **Regional Development Funding**

The Government should clarify how funding for the sector received via the EU will continue after Brexit. To maximise the impact of the UK Shared Prosperity Fund, it **should recognise heritage as a driver for regeneration and reflect this in its design** – allocating funds to ensure all projects benefit heritage wherever possible.

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

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<sup>8</sup> <https://royalsociety.org/~media/policy/Publications/2017/2017-05-technopolis-role-of-EU-funding-report.PDF>

We do not (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. 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<sup>9</sup>, so figures are always likely to be an under rather than over-estimation.

The EU has represented an important source of funding across the heritage sector, and the UK Government should either negotiate continued access to programmes (e.g. Horizon 2020) or replace this funding itself, to ensure it does not risk the continued preservation of our treasured national heritage.

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<sup>9</sup> As above, see [Historic England research](#) compiled by Euclid: 'Assessing the European Union's contribution to England's historic environment' Project No: 7541.

## Skills

### People

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

As a part of its levelling up agenda, the Government has committed to a series of large infrastructure projects across the UK. Large projects, such as HS2, will highlight the UK's heritage skills shortage. HS2 and major road improvements (such as the A303 at Stonehenge) will require archaeologists; conservators will be required at large conservation projects at the Palace of Westminster, Clondon Park, and Wentworth Woodhouse. These projects will be delivered more quickly by leveraging the value of skilled EU nationals right across the UK. Many professions in the sector are highly-skilled, but not highly-paid. The Government should recognise this fact by relaxing salary thresholds for key heritage professions – otherwise we are at risk of not being able to fill highly-skilled positions, putting our heritage at risk.

### Construction

Data from the [Migrant Labour Force within the UK's Construction Industry](#) in August 2018 revealed that:

- Non-UK nationals accounted for 13% (109,000) of workers in the UK's construction of buildings sub-sector: 8% were born in EU accession countries (EU countries who joined in 2004 and 2007), 3% non-EU nationals and 2% EU15 (from countries who joined the EU before 2004) and EU Other nationals (excluding the UK).
- In London and the South East, the percentage of the workforce made up of EU nationals is considerably higher. Non-UK nationals accounted for 40% (70,000) of the construction of buildings workforce in London; 28% were EU accession countries nationals, 8% were non-EU nationals and the remaining 5% were from the rest of the EU.

Given the severity of the skills shortages we already face, **the retention of these workers is a critical concern for the industry.** [£7.1bn](#) in GVA was generated by heritage-related construction activities in England in 2018.

Historic/traditional (pre-1919) buildings require a labour force with traditional skills. There are **roughly 5.5 million traditional buildings in England**. Over the last 10 years, the skills gap to meet demand has ranged from about 85,000 to 110,000 people, with a significant proportion of the gap related to contractors using traditional materials. There is an ageing demographic in the traditional heritage skills workforce, and any difficulty in working with EU workers after the end of the transition period will cause delays and cost issues. Many of those that work in the sector are freelancers or self-employed, and the economic fallout of the COVID epidemic is likely to put many of these small enterprises at risk, further compounding the skills shortage, and risking important national conservation projects.

While the UK Government can meet some of this skills shortage through increased UK-based training and apprenticeships, this will inevitably have a time-lag as more UK-based workers are upskilled, and we will therefore still need to draw on skilled labour from EU countries. While we welcome that archaeology has now been recognised on the Shortage Occupation List, other professions, such as construction (including heritage craft skills) should also be placed on the list. As we transition to a

post-COVID economy, we will need to ensure that these skills gaps are filled, to boost the long-term productivity of our sector.

### **Seasonal Labour**

Many tourism-based heritage organisations rely on some form of foreign seasonal staff. The August 2019 [ONS report on migrant labour force within the tourism industry](#) estimated 238,000 temporary workers in the tourism sector (and this is likely to be an underestimation), and 11% of them are non-UK nationals. **The Government must provide some way for heritage organisations to employ these “low-skilled” workers for them to be able to continue to survive.** Inaccessible “low-skilled” labour coupled with the impact from COVID will seriously undermine the ability of many heritage organisations to survive.

A recent provisional Historic Houses survey showed that 25% of their members employed 5 or more EU nationals in the businesses on their properties. For over 17% of respondents to the survey, seasonal workers made up 10-40% of their total workforce in peak seasons.

## Goods

### Materials

Many materials are imported from the EU for conservation work. If a punishing tariff-regime is placed on these materials, there is a risk that UK-based heritage conservation businesses will simply no longer be able to continue. Highly imported materials include:

- Specialist conservation glass, including cylinder glass and vacuum glass (from Germany and Japan);
- Stone, particularly granites and marbles. Marble and other decorative stones come from Italy and Greece in large quantities. Many types of stone and brick also derive from Belgium and the Netherlands;
- Water reed for thatching from Europe or via Europe (Austria, Hungary, Turkey); some rye and wheat straw comes from Poland;
- Lime as there are currently no UK manufacturers of hydraulic lime. Natural hydraulic limes are imported from France, Germany and Italy;
- Clay plaster (from Germany);
- Pozzolans (from Italy, Spain and Greece).
- Wood fibre (and calcium silicate) insulation materials and 'green' ancillary products used in retrofit (mostly from Germany);
- A lot of timber and timber-based products come from European countries (including oak from France). 92% of softwood timber imports come from the EU;
- Conservation grade materials such as Polaroid B72, Klucel (from North America) and Tylose (from Germany);
- Zinc, stainless steel and copper (for roofing); new lead (which has to be added to make up the shortfall on recycled lead);
- Roofing materials, notably mudstones from Argentina and Brazil, and several different metamorphic slates from Spain, Portugal and Belgium;
- Cedar shingles (most are imported, usually from North America);

### Equipment

**Very little scientific and analytical equipment or consumables are produced in the UK.** Well over half the total spend on equipment is non-UK based, so if tariffs are imposed, there is the potential for costs to rise dramatically. Equally, tariffs must not make it uncompetitive for UK-based companies specialising in scientific and archaeological equipment to export their products to EU countries.

## Standards

Responsibility for heritage rests with individual Member States, but there are some important EU legislation and conventions including:

- Air Quality Directive (Directive 2008/50/EC)
- Water Framework Directive (Directive 2000/60/EC)
- Landfill Directive (Directive 1999/31/EU)
- Environmental Impact Assessment EIA Directive (85/337/EEC)
- Habitat Directive (Directive 92/43/EEC) over 1,000 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 Assessments (EIA)** and **Strategic Environmental Assessments (SEA)**. These derive from an EU Directive and are not formally set out in UK primary legislation. They are implemented through regulations and policy, and the Government should commit to upholding them into the future. Any potential future EIA review should ensure that they 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 the development is taking place.

EIAs and SEAs also help to prevent environmental issues being identified at a late stage of the planning process, which could cause uncertainty and costly delays.

### European Conventions

Conventions like the European Landscape Convention (Florence Convention, 2000), the European Convention on the Protection of the Archaeological Heritage (Valletta Convention, 1992) and on the Protection of Architectural Heritage of Europe (Granada Convention, 1985), as well as the European Framework Convention on the Value of Value of Cultural Heritage for Society (Faro Convention, 2005) and the Convention on Offences Relating to Cultural Property (Nicosia Convention, 2017) are influential on statutory body thinking and in the profession as a whole. Although they do not carry the weight of the Habitats Directive, for example, 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 confirm UK membership to the Council of Europe after Brexit.

### European Standards

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)

The heritage sector would support the retention of many other forms of environmental protection such as the Environmental Directives (see above). From the architectural conservation side: Health and Safety, BS-EN Conservation and Construction Standards and building performance standards are considered very important.

### **Who are we?**

The Heritage Alliance is England's coalition of independent heritage interests. We unite more than 140 organisations which together have over seven million members, volunteers, trustees and staff. We sit on the Government's Heritage Council and on the sector's Historic Environment Forum.

Members of The Heritage Alliance include small and medium sized businesses, charities, and membership organisations. The organisations that we represent own, manage, or care for represent huge swathes of England's historic environment (including more than half of rural England).

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The previous Heritage Alliance Brexit Briefing from 2019 can be found [here](#).