

Backing the Bedrock 2025

Heritage Fiscal & Funding Priorities

The Heritage Alliance



The voice of England's independent heritage movement

Heritage is one of our greatest national assets and an integral part of what makes Britain special. It tells our nation's stories, supporting social cohesion, pride in place, learning, and identity. It is key to our understanding of long-term sustainability and a fundamental part of our transition to net zero. As a major part of, and contributor to, our economy and our environment, heritage underpins the success of multiple other sectors, from construction and tourism to the creative industries.

Heritage delivers exceptional value for public investment, generating £1.93 in the wider economy for every £1 of direct GVA. For every job in the heritage sector, another 2.6 additional workers are supported (1). While most heritage assets are sustained by private investment and earned income, targeted public intervention is essential where market failure threatens nationally significant assets and public benefits. A mixture of funding, fiscal and regulatory measures are therefore important to support our sector to thrive.

Heritage delivers growth. England's heritage industry produces a total GVA impact of £44.9 billion or 2.5% GVA (more than sport, defence, security or aerospace) and supports the employment of over 523,000 workers (2).

Heritage is for everyone. The sector offers genuine social mobility through accessible career routes that don't require traditional academic qualifications. Heritage employs people in all parts of the UK, and provides vital opportunities in rural and left-behind areas. Heritage buildings serve as essential community hubs – churches alone have been found to provide £12.4 billion worth of services annually, delivering a social return on investment of £37.40 for every £10 invested (3).

While the heritage sector demonstrates remarkable resilience through diversified funding models – combining private investment, earned income, philanthropy, and targeted public support – critical market failures threaten assets of national significance. DCMS support is down 18% and local authority spending has plummeted 43% since 2010 (4) – leaving 81% of organisations significantly concerned about financial survival (5). Without immediate and sustained intervention, vital cultural and community anchors risk permanent closure, reduced access, and discontinued outreach programmes, despite 79% of people identifying local heritage as a key factor in making their area a good place to live (6).

We call for urgent measures to safeguard key assets at risk of being lost to the public, as well as a longer-term conversation about how to address structural challenges and unlock potential for growth and regeneration in every corner of the country. An investment in the future of our historic environment is an investment in our country's future prosperity, and in the public who use and value it.

Heritage is an asset on doorsteps in every corner of the country. If properly supported, it stands ready to deliver across the government's five missions for every community.

Driving Economic Growth



- Recognise heritage as an important subsector of the creative industries in the forthcoming Industrial Strategy
- Establish a Heritage Investment Fund to provide consistent, stable, longer-term operational funding to heritage sector-support organisations
- Create a Culture Growth Fund to provide capital funding that sustains the skills pipeline and safeguards heritage for the future
- Pause inheritance tax relief changes and develop alternative mechanisms to protect heritage assets from forced sale, following Environment, Food and Rural Affairs (EFRA) select committee recommendations
- Ensure an effective heritage sector ecosystem by funding for strategic oversight, planning system functions, and sector support across DCMS, Historic England, National Lottery Heritage Fund, Arts Council England, and other arms-length bodies

Strengthening Communities



- Secure a successor scheme to the Community Ownership Fund
- Create a 'Safe Harbour' scheme to protect heritage assets at risk of sale by public bodies
- Deliver a national Culture White Paper, setting out cross-departmental collaboration and supported by locally led culture strategies

Creating Opportunities



- Include visits to local heritage sites as part of the ongoing curriculum review
- Reform apprenticeship funding to better support heritage sector's unique structure, including introducing cross-subsidy mechanisms for smaller organisations and allocating unspent Growth and Skills Levy funds to address critical skills gaps in conservation and heritage crafts
- Support collaborative training initiatives that connect heritage organisations with education institutions and national collections
- Continue support for the Industrial Research Organisation (IRO) Scheme through UKRI, which provides essential PhD funding and wider skills development through training and placements across the heritage sector

Unlocking Health and Wellbeing Benefits



- Integrate heritage within health commissioning frameworks and social prescribing pathways, recognising the £193.2m annual NHS savings from heritage engagement
- Develop a joint heritage-health strategy that positions heritage as a key component of preventive health policy and community wellbeing

Delivering Net Zero



- Provide sufficient long-term funding through Environmental Land Management Schemes to deliver on commitments to enhancing beauty, heritage, and engagement with the natural environment
- Remove or qualify the Permitted Development Right for demolition and review the significant expansion of PDRs over the last 10 years
- Explore how national Listed Building Consent Orders can enable effective maintenance, repair and retrofit adaptations
- Enact a time-limited VAT equalisation scheme on repair and maintenance for listed buildings open to the public
- Continue the Listed Places of Worship grant scheme beyond 2026 and evaluate the impact of the new £25k cap per site on the Listed Places of Worship scheme
- Invest in a National Retrofit Strategy for the UK's 6 million traditional homes

Ensure continued funding for heritage to drive economic growth

Heritage is a major driver of economic growth, international appeal, and soft power. Tourists spend over £28bn each year on visits to heritage sites, and heritage sites and museums make up 100% of our top 20 most popular attractions (7). Heritage provides inspiration and venues for our creative exports, from *Peaky Blinders* to *Bridgerton*, with almost 40% of theatre venues being listed buildings. Concerts and festivals are frequently held at heritage sites like Lulworth and Knebworth Castles. Revitalised assets like the Piece Hall in Halifax demonstrate the potential of heritage to serve as world-famous cultural venues (8). We call for heritage to be recognised as an important subsector of the creative industries in the forthcoming industrial strategy, and for the development of a sector plan to unlock growth through heritage-led investment.

Historic buildings offer characterful settings for creative businesses, with listed buildings attracting significantly more creative firms than non-listed buildings (9). Businesses in historic buildings benefit from a 4.4% higher GVA impact than those that are not (10). Heritage also has a significant role in delivering the 1.5m new homes we need, with estimates that up to 670,000 new homes could be created by repurposing vacant historic buildings (11). It is crucial that heritage construction and retrofit skills are prioritised in skills delivery plans.

The Government's proposed changes to inheritance tax reliefs present significant risks to the conservation of heritage assets, particularly historic estates and country houses that contribute substantially to the visitor economy and cultural landscape. We welcome the Environment, Food and Rural Affairs select committee's recent report calling for a "pause in the implementation of taxation reforms" (12) to allow proper assessment of the full impact of these inheritance tax changes and to develop a better long-term vision. The inheritance tax changes, if implemented without modification, risk forcing the sale of heritage assets that cannot be sustained by their custodians, potentially leading to their loss from public access or inappropriate development. This would undermine decades of heritage conservation work and remove significant economic and cultural assets from local communities. We ask the Government to engage with heritage organisations and affected custodians to develop an approach that balances fiscal requirements with heritage conservation.

To unlock regeneration and growth, stable and well-resourced local planning authorities are essential. Having lost half of their historic environment capacity since 2010 and with spending down 40%, Local Planning Authorities urgently need ringfenced investment and training to build resilience.

To this end we welcome provisions in the Planning Bill to enable local authorities to set their own reasonable planning fees – as long as this does not include fees for Listed Building Consent – as well as mandatory training for planning committee members, especially if this covers heritage matters.

An effective heritage sector relies on a sufficiently well-resourced public sector ecosystem that provides strategic oversight, supports the operation of the planning system, and delivers effective sector development. Historic England, the Arts Council, the National Lottery Heritage Fund (with Local Authorities) form the bedrock of the sector, requiring adequate resources to discharge their statutory responsibilities and provide essential sector leadership. The 20% share of National Lottery funding for the Heritage Fund must be protected to safeguard heritage assets for future generations.

Support for the heritage sector would be improved by greater strategic funding across arms length bodies (rather than the current siloed approach) and a move away from primarily project-based approaches, instead focusing on core grants and place partnerships that allow heritage organisations to sustain their day-to-day operations and conservation responsibilities, and to develop and retain skills 'in-house'. A new Heritage Investment Fund could give consistent, stable and longer-term operational funding resource to heritage sector-support organisations in a similar way to the Art's Council's National Portfolio.



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In our recent member survey, 86% of respondents stated that funding is once more one of their most significant concerns, and funding was identified as the number one concern overall. A Culture Growth Fund – building on the success of the Culture Recovery Fund – could provide a new major phase of capital funding for heritage to sustain the skills pipeline and safeguard these organisations into the future.

Champion heritage to strengthen communities

Heritage drives positive social and economic change and is vital to creating distinctive places. Heritage-led regeneration supports regional growth and strengthens communities by creating pride in place, encouraging pro-social behaviour, and increasing the safety of an area (13).

79% of people value local heritage as a key factor in making their area a good place to live, while one third identify local history and heritage as something that makes them feel proud to live in their local area. The economic and emotional value people place on heritage is striking: 65% of the British public would rather forgo £100,000 than see all the historic buildings in their area vanish (14).

Securing a successor scheme to the Community Ownership Fund is an important step to ensure communities have the capital they need to take on locally cherished heritage assets. We recommend the creation of a 'Safe Harbour' scheme to protect assets at risk of sale by public bodies, holding assets for a defined period to enable new sustainable management models to be developed.

Heritage can be given greater weight in planning and regeneration policies to realise its potential for community renewal. Targeted place-based investments would continue to support heritage projects for culture-led regeneration and pride in place. The Heritage Action Zones and High Streets programmes have demonstrated how heritage-led regeneration can revitalise town centres and boost local economies. The sector, with DCMS, is already working to develop the Culture and Heritage Capital approach akin to the natural capital approach. We recommend the Government continue to champion this approach with HM Treasury as essential to future decision making.

This government has a significant opportunity to envision and celebrate the transformative role that culture and heritage can play in delivering public goods and tackling the greatest challenges facing us as a nation. We recommend a comprehensive national Culture White Paper which could explore where heritage and culture need to be better integrated in cross-departmental thinking and be supported by locally led culture strategies that translate national ambition to local delivery. This can help support and drive strategic investment that will



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maximise the public benefit and ensure that all aspects of our nation's rich cultural legacy are protected for future generations.

Promote heritage to break down barriers to opportunity

Heritage is accessible and popular – 69% of us have visited a heritage site in 2023/24 (15). Our sector offers hands-on educational opportunities which broaden horizons, enrich the curriculum, and impart unique skills at all levels of study, from early years through to higher education. Heritage exists in every constituency and community, offering multiple job opportunities to boost regional growth.

Early educational engagement with heritage is vital to inspire the next generation, but 39% of schools have cut back on trips since the pandemic, especially in deprived areas (16). We support proposals to make school trips to local heritage sites compulsory every year in primary school and recommend that this be reviewed as part of the ongoing curriculum review.

Apprenticeship funding requires reform to work effectively for specialist heritage sectors and smaller organisations. The heritage sector's structure - characterised by numerous small organisations, freelancers, and highly specialised skills - requires innovative funding mechanisms that enable apprenticeship sharing and provide adequate support for training in conservation crafts. Cross-subsidy mechanisms for smaller organisations and allocating unspent Growth and Skills

Levy funds to address critical skills gaps in conversation and heritage crafts would make a tangible difference. This approach would create accessible pathways into heritage careers while addressing the sector's most pressing skills shortages. Supporting collaborative training initiatives that connect heritage organisations with educational institutions and national collections could also help address skills gaps while creating clear career pathways that demonstrate heritage truly is for everyone, regardless of background or starting point.

Higher education partnerships also play a crucial role in developing the advanced specialist skills our sector needs. University collaborations not only train the next generation of heritage professionals but also create vital research links that drive innovation and best practice across the industry. We would welcome continued support for the Industrial Research Organisation (IRO) Scheme through UKRI, which provides essential PhD funding and wider skills development through training and placements across the heritage sector.



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Leverage heritage's contribution to build an NHS fit for the future

Heritage has a direct positive impact on our health. The overall wellbeing value of everyday heritage encounters is worth £29 billion every year (17), with health benefits equivalent to over £1,600 NHS spend per citizen annually (18). Heritage visits save the NHS over £193.2 million annually through reduced GP visits and mental health service usage (19).

Heritage volunteering delivers sustained wellbeing improvements. Over 75% of heritage volunteers report significant wellbeing increases after a year, with almost 60% maintaining improvements for 2-3 years.

Heritage volunteering has been found to be the most rewarding form of cultural engagement in terms of life satisfaction improvements, offering unique opportunities for connection, purpose and legacy creation (20).

Heritage provides strong pathways to enhance individual and community wellbeing. As 99.3% of people in England live within a mile of a listed heritage asset, and 94% agree that heritage buildings should be well looked after (21), heritage represents an accessible, valued and effective public health resource. It would be beneficial for the Government to recognise heritage as an integral component of preventive health strategy and work with the sector to develop a joint approach that maximises heritage's contribution to national wellbeing while reducing pressure on NHS services.

Unlock heritage's green potential through fiscal reform to accelerate Britain's clean energy transition

Historic and archaeological features are not only silent witnesses to our past but vital components of the landscapes we inhabit today. Indeed, as was recognised in a recent joint statement between Natural England, Historic England and the National Lottery Heritage Fund, our historic and natural environments are inextricably interlinked (22). Further, the historic environment underpins habitats and can deliver for nature, with historic buildings and features often providing havens for wildlife. Our historic environment provides local distinctiveness, pride and a sense of place.

Heritage also enhances our physical and mental health through its stewardship of 'green and blue' spaces – parks, landscapes, canals and countryside which are rich with heritage features. 75% of Scheduled Monuments and about 68,000 more heritage assets are located on agricultural land (23). The contribution of heritage to high-quality green space is recognised by Natural England in their 2023 Green Infrastructure framework (24) and is reflected in Goal 10 of the Environmental Improvement Plan.

Environmental Land Management (ELM) Schemes offer the opportunity to deliver for the 'Beauty, Heritage and Engagement' goal of the 25 Year Environment Plan and improve access to rural historic environments. This requires sufficient long-term funding (at least £4.4bn per annum) (25) to farmers and land managers to deliver public goods, ensuring Goal 10 is supported equally with all other goals. Investment is also needed to better map and monitor undesignated historic landscape features which currently lack protection but carry immense public value.

The Sustainable Farming Incentive (SFI) directly advances the goals of the 25 Year Environment Plan and the 2023 Environmental Improvement Plan – particularly the commitment to enhancing beauty, heritage, and engagement with the natural environment. We therefore ask Defra to ensure that historic and archaeological features remain a central part of the SFI. As research by Defra and Historic England has demonstrated, including heritage in agri-environment schemes delivers multiple public benefits – from cultural and educational value to tourism, wellbeing, and economic growth in rural areas

Heritage is good for the planet: repairing and reusing a historic building uses just 8% of the carbon needed to construct a new build (26). However, the current tax regime incentivises demolition and rebuild over repair and reuse, contributing to 126 million tonnes of waste from construction demolitions annually (27). To encourage circular economy approaches, we support removing or qualifying the Permitted Development Right for demolition in a proportionate way and reviewing the significant expansion of PDRs over the last 10 years. We also encourage the use of national Listed Building Consent Orders (LBCOs) to remove the need for slow and costly applications for Listed Building Consent for specific, carefully scoped and conditioned categories of routine and/or low-impact works, facilitated by a simple change in the law to enable national LBCOs to be passed by negative, rather than affirmative, resolution.

Currently, 20% VAT applies to repair, maintenance and retrofit work to historic buildings, yet no VAT is charged on demolition and rebuild. This creates a perverse incentive for waste over reuse and contradicts the government's aim to move to a low-waste circular economy. VAT equalisation would encourage affordable repairs, stimulate local supply chains, create demand for green skills and jobs, and help reach legally binding net zero targets. A time-limited scheme for listed buildings open to the public could demonstrate the benefits of VAT equalisation in a targeted way – paving the way for complete equalisation in due course (28).

The Listed Places of Worship grant scheme has shown how this can work successfully, enabling thousands of historic religious buildings to carry out affordable repairs by reclaiming VAT. The National Churches Trust found that activities in church buildings have a yearly social value of £55.7 billion (29).

We ask the Government to continue this important scheme beyond 2026 and evaluate the impact of the new £25k per site cap.

We call for investment in a National Retrofit Strategy for the UK's 6 million traditional homes, which could underpin activities to double the number of specialist retrofit contractors, introduce whole-life carbon assessments, provide targeted incentives to decarbonise historic buildings, and establish a one-stop-shop advisory service for custodians of traditional buildings.



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About The Heritage Alliance

The Heritage Alliance is England's largest coalition of heritage interests, bringing together over 200 independent organisations that represent the full breadth of the sector. Its combined membership includes over 8 million passionate volunteers, trustees, and staff, who demonstrate the strength and commitment of the independent heritage movement. The Heritage Alliance is ready to put our resources and expertise at the disposal of all decision-makers to secure the best future for England, built on its invaluable past.

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The Heritage Alliance is a company limited by guarantee in England and Wales no 4577804 and a registered charity no 1094793

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