

Autumn Budget Representation September 2024

About Us

The Heritage Alliance is the national umbrella body for the heritage sector. We unite more than 200 organisations including the National Trust, English Heritage, the National Landscapes Association and the Canal and River Trust. Together the organisations we represent have over 7 million members, volunteers, trustees and staff. The vast majority of England's historic environment is owned, managed and cared for by Heritage Alliance members.

The Value of Heritage

Heritage is everywhere and belongs to everyone: it breathes life into our towns, cities, coasts, and countryside, creating places that people want to live and work in. It is one of our greatest national assets and an integral part of what makes Britain special. It is key to our understanding of long-term sustainability and a fundamental part of our transition to net zero. It tells our nation's stories, supporting social cohesion, pride in place, learning, and identity. As a major part of, and contributor to, our environment and economy, heritage underpins the success of multiple other sectors, from construction and tourism to the creative industries.

Heritage is productive. England's heritage industry produces a total GVA impact of £45.1 billion and provides over 538,000 jobs. Heritage-related construction activities generate £7.5 billion GVA in England, employing over 100,000 people. Heritage is a major part of our international appeal, with tourists spending over £13bn each year on visits to heritage sites. The health benefits of heritage are equivalent to over £1600 NHS spend per citizen each year.¹

Heritage is popular. 99% of people in England live within a mile of a listed place, 80% think local heritage makes living in their area better, and 81% say preserving heritage is personally important to them.² Heritage plays host and provides inspiration for some of our most popular creative exports, from Peaky Blinders to Bridgerton. According to the DCMS Taking Part survey, three quarters of us have visited a heritage site in the last year (more

¹ [Heritage and the Economy 2023](#), Historic England

² [Heritage and Society 2023](#), Historic England

than attended football matches) and an estimated 5.2% of the adult population in England undertake heritage volunteering annually.

Heritage is a public good. 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 by up to 10%. Just inhabiting historic places can have a significant impact on our physical and mental health, with the overall wellbeing value (WELLBY) of everyday heritage encounters worth £29 billion every year. Heritage is also good for the planet: repairing and reusing a historic building uses just 8% of the carbon used to construct a new build.³

The Challenge

The power of heritage to make this contribution to our communities – to provide significant employment, help us reach net zero, boost our wellbeing, power the creative and construction industries, and attract global interest to our shores – is under threat.

Our 2024 '[On the Brink](#)' report demonstrates the scale of the risk now facing the sector and paints a stark picture of what 'one more rainy day' could mean for the sector. It finds that the greatest reported threat facing the sector is overwhelmingly the lack of funding, with 81% of organisations saying it is a significant concern. Budgets have already been cut to the bone, with funding allocation for heritage and culture shrinking. Grant-in-aid funding from DCMS has fallen by 18% in real terms from 2010, and per-capita local authority spend on heritage and culture is down 43% in the same period.⁴

Local heritage sites are facing immediate and unparalleled financial pressures that risk public access to cherished museums, gardens, places of worship and community spaces. A third of organisations ended their last financial year in deficit and more than half have reserves below their planned levels.⁵ Without urgent action it is likely that we will see permanent closures, reduced opening hours, and the loss of community outreach and engagement (2/3 heritage sites have already cut back on programming or plan to do so). Many of these places are employers or host small businesses, whilst others provide vital support to local schools and charities.

Urgent action is needed to ensure that our living, breathing heritage is not consigned to the past. 74% of UK adults agree that the UK government has a moral obligation to protect our heritage – now is the critical moment to deliver on that responsibility. There needs to be immediate action 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.

³ [Heritage and Carbon, 2023](#)

⁴ [The State of the Arts, 2024](#)

⁵ UK Heritage Pulse Survey, July 2024

Our Proposals

1. Prevent Irreversible Loss: Act now to protect vulnerable heritage assets against decline, putting urgent measures in place to safeguard our heritage for future generations.

During the pandemic, the Culture Recovery Fund (CRF) prevented over 600 heritage organisations from closing and safeguarded over 20,000 jobs. These benefits far outweighed the costs of implementing the programme, with every £1 spent leading to between £1.98 and £3.66 in benefits. We are now faced with an equally significant challenge. Many in the heritage sector have faced energy bill increases of 200 - 900%, with nine in ten heritage leaders fearing for the future of their heritage organisations. The time-limited support provided by the CRF has come to an end, but there is potential to stimulate new growth in our sector through investment.

Funding packages need to be usable, accessible and structured to promote good quality long-term business planning. In the shorter term, providing emergency targeted capital funding for urgent heritage repairs, similar to the Museums Estate and Development Fund (MEND), would offer a lifeline to publicly open heritage sites that are in most need of support and tackle growing repair backlogs. Equally, resuming and pivoting the Community Ownership and Community Wealth Funds to fill funding gaps for the heritage sector would empower communities to save the assets they value the most and help these assets in turn to benefit local communities. In general, it is important to move away from competitive bidding processes for funding which cost organisations significant time and money. We'd like to see more strategic approaches to investment, making use of partnership approaches between statutory funders.

As the CRF recognised, 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. Establishing a new Culture Growth Fund to build on the success of the CRF would deliver vital targeted and sustained core investment to safeguard the sector's future and leverage new growth. An element of this fund should prioritise long-term, sustained capital funding for heritage infrastructure to help to balance demand and supply dynamics and reduce inflationary pressures. This steady stream of funding should be made available to all parts of the sector, including ecclesiastical heritage, and privately-owned assets open to the public.

Finally, heritage assets of significant community value which are at risk of sale by public bodies could be protected by the creation of a Safe Harbour scheme. Public bodies that need to dispose of assets quickly in insolvency situations are often unable to consider the long-term impacts or opportunities for other community uses – the asset will typically be sold into private use. A Safe Harbour scheme would hold assets for a defined period of time to enable new sustainable management models to be developed, and to create the opportunity for communities to use the asset for public benefit.

2. Secure the Bedrock: Ensure continued funding and investment in the core of the sector, including the Heritage Fund, Historic England, Local Authorities and the Arts Council.

Historic England, the Arts Council, the National Lottery Heritage Fund and Local Authorities form the bedrock of the sector. The National Lottery Heritage Fund has awarded over £8.8 billion to over 51,000 projects since 1994. It has saved thousands of locally and nationally treasured heritage assets from damage or loss, generated jobs and growth, and inspired communities. The 20% share of National Lottery funding for the Heritage Fund must be protected to safeguard heritage assets for future generations – once they are gone, they are gone forever.

Historic England has suffered standstill settlements or cuts over many years. Its assured future, continuing stability and adequate funding is crucial, particularly given the challenges with reductions in finances and capacity at local authority level and increased demands on their services as we move to a new planning system. Having already lost half of their historic environment capacity since 2010 and with spending down 40%, local planning authorities urgently need ringfenced investment and training in these teams to build resilience.⁶ Using any increase in planning fees or developer contributions to plug this gap would be a prudent measure at a time when applications for consents are on the rise, and to avoid discouraging development due to an inefficient planning process. Ensuring more stable, long-term funding settlements for local authorities by increasing budget periods to three years would also enable more ambitious, flexible and long-term financial planning.

Focussed and effective joint working between arms-length bodies has been a real positive throughout recent challenges, and financial support for continued collaboration would be welcome. Support for the sector would be improved by moving away from primarily project-based approaches, instead introducing more core grants or 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 National Portfolio Organisations system for the independent heritage sector (similar to that offered by the Arts Council) as there is none at present, would enhance the long-term sustainability of the sector and provide greater certainty for sector bodies and institutions.

Lastly, heritage has an important role to play across a range of departmental portfolios and must not be siloed within DCMS. This was recognised in the establishment of the Heritage Council which brought together key sector organisations with a range of Government departments and which we hope will continue. In particular, the role of heritage within DEFRA is often overlooked despite the vital contribution of our rural heritage to public wellbeing, engagement and pride in place. Our countryside is a patchwork of ancient landscapes, archaeological features and manmade habitats which are treasured as much as the nature they support. Environmental Land Management (ELM) Schemes offer the opportunity for the government to enact the ‘Beauty, Heritage and Engagement’ goal of the 25 Year Environment Plan and improve access to and investment in the rural historic environment. This can be achieved by providing sufficient long-term funding (at least £4.4bn per annum) to farmers and land managers to deliver public goods, and ensuring Goal 10 is supported and funded on equal footing with all other 25 YEP goals. The historic environment should equally be funded by all tiers of ELM, and the development of appropriate indicator datasets are needed to map and monitor historic features which are currently unprotected. Wider DEFRA programmes - such as Farming in Protected Landscapes - have also successfully delivered heritage-led landscape interventions but are an undersubscribed source of funding which have the potential to offer more to rural communities.

⁶ Heritage and the Economy 2023, Historic England

3. Unlock Regeneration and Growth: Explore targeted measures to incentivise sustainable development, deliver heritage-led regeneration and support green growth.

Heritage drives positive social and economic change and is vital to creating distinctive places - the revitalisation of the Piece Hall in Halifax is an excellent example. People treasure their local environment, and the most sustainable building is one that already exists. Alongside building new homes, repairing and reusing existing buildings allows for communities to meet their needs while maintaining that sense of place and supporting net-zero commitments. Historic England estimates that 670,000 new homes could be created by repurposing vacant historic buildings.

As noted by the [Environmental Audit Committee](#), the current tax regime incentivises demolition and rebuild over repair and reuse, contributing to the 126 million tonnes of waste produced by construction demolitions each year (RIBA). To encourage circular economy approaches and reduce waste, we support their recommendation to remove the Permitted Development Right (PDR) for demolition, and review the significant expansion of PDRs in general over the last 10 years which has facilitated poor quality and inefficient construction. We also encourage the government to explore how Listed Building Consent Orders (LBCOs) could be used to enable common and effective retrofit adaptations to historic buildings.

The measure that would have the greatest overall impact is VAT reform, also recommended by the EAC. At present 20% VAT applies to repair, maintenance and retrofit work to historic buildings, yet no VAT at all 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. A VAT equalisation would also encourage homeowners to carry out repair and retrofit at a more affordable cost, stimulate local supply chains, create demand for green skills and jobs and help us reach our legally binding net zero targets. A time-limited scheme could test and demonstrate the benefits of VAT equalisation and explore different mechanisms to deliver it, such as a tax credit or grant scheme. This could be delivered in targeted regeneration or growth areas or for historic buildings open to the public, and would be a natural extension of existing VAT relief schemes to incentivise energy saving measures.

The Listed Places of Worship grant scheme has shown how this can work successfully, enabling thousands of historic religious buildings to carry out more affordable repairs each year by reclaiming VAT. The National Churches Trust has found that activities in church buildings, many of which are historic, have a yearly social value of £55 billion. We now ask the Government to continue this effective scheme until 2030 to allow these special community buildings to plan for their future.

Part of the solution must also be investment in a [National Retrofit Strategy](#) to ensure the UK's 6 million traditional homes, the oldest stock in Europe, make their contribution to decarbonising the built environment. A one-size-fits all approach will not work for our historic building stock, so this should include a pathway to double the number of specialist retrofit contractors, introduce whole-life carbon assessments of household energy emissions, targeted incentives to decarbonise historic buildings, and a one-stop-shop advisory service for the custodians of traditional buildings.

Lastly, targeted place-based investments should continue to support heritage projects supporting culture-led regeneration and pride in place for communities. The [Heritage Action Zones](#) programme demonstrated how heritage-led regeneration can revitalise town centres and boost the local economy, and new research shows that historic buildings and districts are a catalyst for creative growth.⁷ The sector is already working to further develop the Culture and Heritage Capital approach akin to the natural capital approach to capture the full value of heritage to our society - the Government should champion this approach with HM Treasury and others as essential to future decision making.

4. Widen Access and Opportunity: Help more people to engage with heritage, build sector skills and capacity, and champion the potential of heritage to deliver public good

The historic environment is fundamental to the success of many other thriving sectors, and delivers public goods in the form of learning and engagement, physical and mental wellbeing, and characterful and attractive places to live and work. But without our skilled workforce, pathways to inspire the next generation, and the ability to engage people from all walks of life with heritage, we will lose what makes our sector both successful and special - our people.

At an educational level, early engagement with the culture sector is vital to inspire the next generation of heritage sector employees, volunteers and enthusiasts. With career aspirations set at age seven, free educational heritage visits are an important part of this but are in steady decline – 39% of schools have cut back on trips since the pandemic, and this trend is more pronounced in schools in deprived areas.⁸ English Heritage have warned that the cost of delivering school trips has increased by two thirds for them compared to the pre-pandemic period. We call for visits to local cultural and heritage sites to be embedded in the forthcoming curriculum review, strengthening young peoples' connections with their communities and broadening horizons for every child.

Apprenticeship funding needs to work for specialist sectors and organisations, and the government should ensure that the voice of small contractors and freelancers is heard in discussions about skills and apprenticeships. A cross-subsidy mechanism to support skills training in SMEs and more flexibility to enable shared apprenticeships would also be welcome, alongside initial financial support for providers and placement hosts.

The visa system should consider the unique position of the heritage sector as being highly skilled but low paid. We urge the government to reconsider the new £39k salary cap for Tier 2 visas and return to an assessment based on skills gaps rather than salaries. As the sector has traditionally relied on skilled EU labour, we must ensure that heritage organisations can access the best heritage skills from across the EU to advise on and deliver this government's ambitious house building and infrastructure programmes, maintain our internationally famous museums and cultural sites and contribute to innovation and insight in our world-leading universities. We also

⁷ Heritage and the Economy 2023, Historic England

⁸ [National Foundation for Educational Research, Cost-of Living Crisis: Impact on Schools, 2023](#)

support an unsponsored route for the creative and cultural sectors and a pathway for students who are trained in the UK to stay and work in the sector. Our briefing on Heritage and Immigration sets out this case.⁹

Lastly, rates of volunteering have declined alarmingly since the Covid pandemic. Previously around 23% of the population volunteered at least once a month, which has now fallen to 16%.¹⁰ Many parts of the heritage sector which depend heavily upon volunteering have been affected - for example, a third of independent museums are wholly volunteer-run, but 44% are now struggling to recruit enough volunteers to operate.¹¹ Reducing obstacles to volunteering would boost the economic impact of civil society, improve individual opportunities by enhancing skills, and deliver the multiple social and wellbeing benefits of volunteering to communities. We call for volunteering opportunities to be better embedded in regular employment, either through model contracts offering paid volunteering days or the right to request paid volunteering days. Such an opportunity could also be embedded in post-16 education in a similar model to work experience placements.

Two essential vehicles to deliver these proposals in tandem with the sector, and maximise benefits:

This government has a significant opportunity to set out the full role that culture and heritage can play in delivering public goods and tackling the greatest challenges facing us as a nation. To understand the full scope of ways heritage can contribute across a range of portfolios, we recommend a comprehensive national Culture White Paper. This should 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 maximise the public benefit and ensure that all aspects of our nation's rich cultural legacy is protected for future generations.

To unlock the full potential of heritage, it is vital that the relevance of our sector to a range of public policy challenges is recognised and valued across government departments. For years, the Heritage Council has proved an effective mechanism for working proactively across Government to engage the sector in enabling dialogue and driving progress on key policy areas for heritage. Chaired by the Heritage Minister, council members represent leading organisations from across the sector including historic and natural environment arms length bodies, key funders for heritage, private owners and umbrella bodies. We recommend that the Heritage Council continues to meet on a 6-monthly basis, with ongoing HMT involvement, as an effective means of supporting the government in the implementation of heritage policy and bring the sector's issues to its attention.

⁹ [Heritage and Immigration](#), The Heritage Alliance, 2020

¹⁰ [NCVO, Time Well Spent Survey, 2023](#)

¹¹ [UK Heritage Pulse, Panel Research: Spotlight on Volunteering \(March 2023\)](#)

ANNEX: Summary of Proposals

Prevent Irreversible Loss

- Pivot the Community Ownership and Community Wealth Funds to fill funding gaps
- Develop a Safe Harbour scheme to rescue community heritage and cultural infrastructure at risk of being sold and lost to public access
- Deliver emergency capital funding in the style of the Museums and Estates Development Fund to tackle urgent repair backlogs
- Establishing a new Culture Growth Fund to deliver targeted and sustained core investment to safeguard the sector's future and leverage new growth

Support the Bedrock

- Ringfence funding for Local Authority heritage and culture budgets and proportionate staffing levels in conservation teams, using planning fees and developer contributions as needed
- Increase council funding settlements to at least three years to provide more stability and long-term decision-making
- Protect the National Lottery Heritage Fund's 20% share of National Lottery funding
- Ensure DCMS, Historic England, Arts Council England and other arms-length bodies and statutory consultees are adequately funded to deliver their core functions effectively
- Introduce an equivalent scheme to the Arts Council's National Portfolio Organisations system for the independent heritage sector to enhance its long-term sustainability
- Ensure Environmental Land Management schemes provide sufficient long-term funding (at least £4.4bn) for the historic environment on equal footing with the natural environment
- Develop indicators and monitoring datasets to map and protect undesignated heritage assets

Unlock Regeneration and Growth

- Enact a time limited scheme to explore the benefits of equalising VAT on repair and maintenance of existing buildings with that of new build
- Continue the Listed Places of Worship Grant Scheme beyond 2025
- Remove the Permitted Development Right (PDR) for demolition, and review the significant expansion of PDRs in general over the last 10 years
- Explore how Listed Building Consent Orders (LBCOs) could be used to enable common and effective retrofit adaptations to historic buildings
- Ensure heritage is front and centre of place-based funding and programmes
- Develop a National Retrofit Strategy encompassing a pathway to double conservation retrofit skills, a whole-house carbon assessment for EPCs, and an advisory service for owners of historic buildings
- Work with the sector to embed the forthcoming Culture and Heritage Capital approach within policymaking and spending decisions

Widen Access and Opportunity

- Make apprenticeships more flexible for SMEs and freelancers, including cross-subsidy mechanisms or shared schemes
- Use the forthcoming curriculum review to embed school trips offering cultural enrichment in every child's learning
- Revoke the £39k salary cap for Tier 2 visas and return to an assessment based on skills gaps rather than salaries.
- Develop an unsponsored visa route for the creative and cultural sectors and a pathway for students who are trained in the UK to stay and work in the sector
- Embed volunteering opportunities in employment contracts by offering paid volunteering days or the right to request paid volunteering days.

To deliver these proposals effectively:

- Deliver a national Culture White Paper, setting out cross-departmental collaboration and supported by locally led culture strategies
- Continue the work of the Heritage Council, a board of Government department representatives with sector leaders and funders, chaired by the Heritage Minister, on a 6-monthly basis.

For further information, please contact The Heritage Alliance.

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